



SECRETARIAT OF THE PACIFIC COMMUNITY

**REPORT OF THE THIRTY-EIGHTH MEETING OF
THE COMMITTEE OF REPRESENTATIVES OF
GOVERNMENTS AND ADMINISTRATIONS**

Noumea, New Caledonia
13-16 October 2008

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including
**RESOLUTIONS OF THE THIRTY-EIGHTH MEETING OF THE COMMITTEE OF
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**RESOLUTIONS OF THE THIRTY-EIGHTH MEETING OF THE COMMITTEE OF
REPRESENTATIVES OF GOVERNMENTS AND ADMINISTRATIONS**

**THIRTY-EIGHTH MEETING OF THE
COMMITTEE OF REPRESENTATIVES OF GOVERNMENTS AND ADMINISTRATIONS**
(Noumea, New Caledonia, 13–16 October 2008)

Chairperson

Mr Toetasi Fue Tuiteleleapaga
Chief Legal Counsel
Office of the Governor of American Samoa

Vice-Chairperson

Ms Romaine Kwesius
Counsellor, Development Cooperation
AusAID
Suva

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AGENDA ITEM 1 — OPENING OF THE SESSION

1. The Chairperson, from American Samoa, opened the meeting, and welcomed participants to CRGA 38. He said that he looked forward to working with the representative of Australia in her role as Vice-Chairperson, as well as with all meeting participants.
2. The representative of Tonga gave the opening prayer.
3. The Chairperson said that according to the CRGA Rules of Procedure, the representative of Australia, as Vice-Chairperson of the meeting, would chair the Drafting Committee. The representatives of France, the United States, French Polynesia, Cook Islands, Niue, Marshall Islands, Samoa and Fiji volunteered to serve on the drafting committee.
4. CRGA adopted its agenda, as attached to this report, and its hours of work.
5. At the request of the Chairperson, meeting participants observed a minute of silence in memory of the late Falani Aukuso, former Suva-based Deputy Director-General of SPC, who died in July.

AGENDA ITEM 2 — OVERVIEW REPORTS FOR 2008

AGENDA ITEM 2.1 — DIRECTOR-GENERAL'S REPORT

6. The Director-General echoed the welcome given by the Chairperson and said he looked forward to the coming discussions. He noted that for the first time, a metropolitan member (Australia) was providing the Vice-Chairperson for CRGA, explaining that research had indicated that nothing prohibited metropolitan members from serving in this capacity.
7. Before presenting his report to CRGA 38, the Director-General said that 2008 had been a trying year for SPC staff, not only because of an increase in activities, but also because of the passing of SPC's Deputy Director-General in Suva, Falani Aukuso. He commended Falani's work on behalf of the Pacific Community and the region and thanked members for their words of condolence and support, which he said had given SPC strength. He also thanked SPC's staff for supporting each other and the organisation. He said that Falani's family had expressed its deep appreciation for all the kindness they had received, and noted that some SPC staff had attended the funeral in New Zealand. The Director-General also noted the passing of Greg Urwin, former Secretary General of the Pacific Islands Forum Secretariat, saying he had been a tireless advocate for the region and a supportive partner of SPC on many regional initiatives.
8. The Director-General observed that his report to CRGA 38 covered the progress made in implementing the decisions made by the Fifth Conference of the Pacific Community in 2007. Fifteen key decisions were made in 2007. Of those, 12 were fully implemented and three others were being implemented.

9. He said that in 2008, SPC had reached out to both new and traditional partners. He highlighted the significant funding commitments made by the Global Fund for the next seven years, which have resulted in its becoming SPC's largest non-member contributor, second only to Australia overall. He acknowledged the efforts of Bill Parr (new Director of the Social Resources Division) and the World Health Organization who in securing the support of the Global Fund. He observed that the European Union has been a very important partner of SPC, accounting for 18% of funding in 2008 but only 8% in 2009 due to a delay in the availability of funding from the 10th European Development Fund (EDF). This funding shortfall for 2009 highlighted the vulnerability of project-based support. It would affect important work on food security being done by both the Marine Resources and Land Resources Divisions (MRD and LRD), unless bridging funding could be secured. He noted the significant funding being given by WHO, and said SPC was signing a memorandum of understanding (MOU) with WHO based on the principle of '2 agencies, 1 team, 22 countries and territories'.

10. The Director-General noted progress on some regional initiatives, and observed that negotiations on the implementation of the Pacific Islands Forum leaders' decision on the Regional Institutional Framework (RIF) had been time-consuming because SPC was involved in discussions with four different agencies. He stressed that regional engagement was critical, and said SPC was involved in many regional discussions, including meetings on climate change and the Forum Economic Ministers' Meeting (FEMM).

11. The Director-General said that SPC had doubled in size over the last 12 years, while many of its support services sections (e.g. Corporate Services) had remained much the same size. He said that SPC was starting a process of reform to ensure the Corporate Services Division could effectively support SPC's enlarged programmes and the ongoing decentralisation of services. He highlighted several recent new executive appointments, and said that the position of Deputy Director-General (Suva) had been advertised. He observed that managing the growth of the organisation was a challenge, and that SPC was in the process of establishing a policy regarding the location of programmes and establishment of support services and systems.

12. He said that recruitment had become a significant problem for all CROP agencies, mainly because the CROP remuneration package is well behind (by up to 40%) salaries in Australia and New Zealand for comparable positions, and even further behind the EU. He indicated SPC would be requesting the full increase in salaries indicated as needed by the 2008 market review and agreed on by CROP heads. The increase was fully funded in the 2009 budget, primarily through savings due to the decline of the SDR.

13. The 2008 budget totalled 54 million CFP units, of which 98 per cent was funded by metropolitan members and development partners. The total budget for 2009 was over USD 70 million, with just over 1 per cent coming from island member contributions. Unfortunately, much of that funding was not secure in the long-term because it was project-based.

14. The Director-General outlined a number of progressive organisational reforms, some of which will begin in 2009, and which will not have immediate financial implications, including promotion of the Public Health Programme to a division in 2009. The Regional Maritime Programme (RMP) will be split off from the Marine Resources Division (MRD) in 2009, and will possibly become part of a new division in 2010 along with transport and infrastructure programmes moving to SPC from PIFS. A critical challenge for SPC is the CROP salary structure, which has only five grades. SPC has over 200 professional staff, including some 120 in Grade J. To address this, it is proposed to establish a composite grade structure within the existing upper and lower limits of the CROP remuneration structure. There are no financial implications from this change, and authority for such changes was previously delegated to the Director-General by Conference. The Director-General also briefly addressed SPC's ongoing decentralisation, noting that the organisation is establishing a regional office in Papua New Guinea and will begin consultations on establishing one for the eastern Pacific in either French Polynesia or Cook Islands, which would bring the total number of offices to five.

15. He closed by expressing his thanks to all the members, to SPC staff for their commitment, and to regional development partners for their support. He made a special request to all members to ensure they were represented by ministers at the Sixth Conference of the Pacific Community in Tonga in 2009 if at all possible, noting that to meet the timetable for the Regional Institutional Framework (RIF) process, the dates for CRGA and Conference in 2009 will be shifted forward: CRGA 39 will be held 30 Sept to 2 October, and Conference 5–6 October 2009. (The full text of this presentation is available from the Secretariat as CRGA 38 Paper 2.1).

16. The Chair opened discussion of the Director-General's report, noting the significant funding gap being forecast in 2009 due to the delay in EDF funding. He expressed his hope that SPC's development partners would be able to assist in bridging this gap. Members thanked the Director-General for his moving tribute to Falani Aukuso. They remembered the many ways in which Falani had touched their own lives, and acknowledged his service and contribution to the region, in particular his advocacy on behalf of small island states and territories (SIS). Members also congratulated the Chair on assuming his duties, and thanked the Director-General for his comprehensive report. Many of the representatives noted that they would be making extensive comments on specific items when these were discussed in detail during the meeting. In addition, individual members made the following specific comments:

- The representative of Papua New Guinea (PNG) noted the comment made by the Director-General regarding the PNG office, and indicated his country was working with the Secretariat on issues relating to its establishment.
- The representative of Kiribati noted with gratitude the good progress in implementing the decisions made by Conference, and the Corporate Plan. She noted with concern the shortfall in funding caused by the delay in EDF funding, but welcomed the increased support for SPC programmes by donors and development partners, which reflected the excellent work being done by SPC and the leadership of the organisation. She also noted that the documents for CRGA 38 included more information on the different activities being implemented in PICTs, allowing both members and donors to see how funds were being used.
- The representative of Niue thanked SPC for the extensive work done by SPC on behalf of his country, and SPC's support for the hosting of the Forum Leaders' meeting in 2008.
- The representative of France thanked SPC for the quality of the documents prepared for the meeting, but said his country would appreciate receiving these more promptly as they required prior review by government departments in Paris. He also noted the need for the meeting to look at ways to adjust SPC's needs to the budget realities that everyone would have to face as a result of the ongoing financial crisis and resultant economic downturn.
- The representative of Wallis and Futuna noted SPC's continued decentralisation and affirmed the importance of having institutions remain close to the people they serve.
- The representative of Tuvalu noted with concern the shortfall in funding caused by the delayed EDF funding. He looked forward to detailed discussions on how the funding gap could be filled. He noted in particular the importance of the DSAP (Development of Sustainable Agriculture in the Pacific) programme – and support for atoll agriculture generally – to Tuvalu. He encouraged SPC to consult with other donors that were funding climate change adaptation as it related to atoll agriculture.
- The representative of Samoa remarked on the good progress and positive achievements made by SPC, and thanked the organisation for its efforts to secure funds from wider sources as well as from traditional donors. She said Samoa supported the building of value-added partnerships, and found the itemised listings of in-country activities provided in the meeting papers very helpful.
- The representative of Federated States of Micronesia (FSM) expressed thanks to SPC for establishing the regional office in Pohnpei, which had brought benefits to FSM and the North Pacific generally.
- The representative of Solomon Islands noted the new executive appointments. He looked forward to further discussions on the location of the new regional offices, which would help SPC better serve the people of the region.
- The representative of Cook Islands thanked the Director-General and staff of the Secretariat for assisting in the development of the region, and noted the extensive work that had been undertaken. She looked forward to hearing how the Land Resources Division (LRD) and MRD would be able to deliver services to the region in the absence of the anticipated EDF funds, and to a discussion on how decentralisation would impact on the delivery of services.

- The representative of Fiji acknowledged the hospitality of New Caledonia, and expressed appreciation to the Director-General for the activities that have been carried out across the region.
- The representative of Pitcairn Islands hoped that in the future, in his capacity as a representative of the British government, he could work closely with SPC to resolve the issue of the EDF funding shortfall, and acknowledged the assistance given by SPC to Pitcairn.
- The representative of New Caledonia said that hosting SPC, the CRGA meeting and SPC staff was very important to his territory, and made reference to the need for finding the right balance between resources and priorities to allow SPC to carry out its activities, as mentioned by France, and the importance of remaining close to the people being served, as highlighted by Wallis and Futuna.
- The representative of Tonga said that the Prime Minister of Tonga looked forward to hosting the 2009 Conference.
- The representative of French Polynesia said he was very happy to see SPC's dynamism, as reflected by its expansion and the activities of its many programmes. He noted the decentralisation of SPC's activities and services, including establishment of an office in PNG, and discussions regarding a branch office in the eastern Pacific. He noted some of the challenges that SPC faces, adding that as a French territory, French Polynesia was very concerned about funding shortfalls. He offered assistance in pleading the case for SPC to donors. He also expressed concerns about the staffing problems faced by SPC, and observed that it might not be possible to meet all demands due to the international financial crisis.
- The representative of Tokelau asked members to accept the appreciation and gratitude of Tokelau for their kind words and condolences on the loss of Falani Aukuso, who came from Tokelau. He said that his passing left a challenge to Tokelau's coming generations, and hoped that Falani's services to SPC and the region would bear fruit that would be long lasting.

17. The Director-General expressed his thanks to members for the appreciation and support accorded to SPC's staff, noting that the credit for SPC's work should properly go to them. In response to members' inquiries, he noted that the recommended salary increase was funded in 2009, and would not carry any future financial implications. He also indicated that the actual budget decision would be made during the budget discussion, not during the discussions regarding particular programmes. He said that the proposed budget took into account anticipated shortfalls, and reflected prioritised programme reductions in order to ensure a balanced budget. He noted that the Global Environment Facility and other funding sources were addressing climate change, and that while staff were not searching for new funding sources per se, they were seeking to identify how important work on priority issues could be matched with available funding. He noted the need for 'reality checks', and acknowledged that the ongoing global financial crisis made discussion of finances challenging. He said that SPC's financial presentation was realistic with a balanced budget based on confirmed resources. The decrease in EU funding for 2009 did not mean that the funding would not be received, but rather that funding was delayed due to a delay in reaching agreement on funding for the region from the 10th EDF. Once a Pacific regional strategy had been agreed on, SPC would very probably secure some funds, but these would not become available until at least 2010, causing a funding gap of some 12–18 months. DSAP is among the programmes affected by the shortfalls, which means that DSAP activities in ACP (African, Caribbean and Pacific Group of States) countries and OCT (Overseas Countries and Territories) will have to be suspended until the funding is made available (DSAP activities in non-ACP countries and non-OCT are funded by Australia and New Zealand and will continue). The Director-General said that decentralisation of services would result in improvements in the quality, regularity and monitoring of services, as was already being experienced in Pohnpei. He observed that SPC sought to present members with realistic proposals. He said that formal consultations with French Polynesia and Cook Islands on the eastern Pacific office would likely begin in 2009. He also said that the provision of services is not necessarily linked to an official office. Cook Islands, for example, have hosted regional training in 'shipping management for small island states' in collaboration with the Regional Maritime Programme. Where members have taken a lead or have expertise in an area, SPC welcomes the opportunity to develop regional training programmes in cooperation with them. He closed by noting that he would welcome discussions with representatives from members who are also members of, or affiliated with, the EU on how best to resolve the issues causing a delay in EDF funding.

DECISIONS

18. CRGA:

- i. noted the Director-General's report;
- ii. endorsed the key policy directions presented in the report; and
- iii. agreed to assist the Director-General in his efforts to have ministers from all 26 member countries and territories attend the Sixth Conference of the Pacific Community in Tonga in 2009.

CRGA acknowledged the tremendous contribution of Falani Aukuso to the Pacific region and to SPC, noting that in his short time with SPC, Falani had left a lasting legacy. CRGA expressed condolences to Falani's family and the people of Tokelau.

AGENDA ITEM 2.2 — LAND RESOURCES DIVISION OVERVIEW

19. The Director of the Land Resources Division (LRD) presented an overview of the division's work in 2008. He noted that the division had presented a new strategic plan for 2009–2012 to the recent Second Regional Conference of Pacific Ministers of Agriculture and Fisheries, which had approved the plan. He said that making a difference in the lives of Pacific Islanders was at the core of LRD's work, and to achieve its goals, LRD engaged at all levels from community to international. The division was committed to integration of both its internal activities and those beyond its borders and to the use of participatory approaches in addressing the following cross-cutting issues prioritised in the Pacific Plan and by Forum Leaders at their 2008 meeting: food security, climate change adaptation, land management and conflict minimisation. He stressed that good policies were essential to sustainable development of agricultural and forestry resources. LRD continued to work with Pacific ACP countries in harmonising biosecurity-related laws and a regionally harmonised biosecurity bill had been adapted to meet the national needs of several Pacific Island countries and territories (PICTs). Work on plant protection and maintenance of pest list databases was helping to improve crop productivity and meet the trading requirements of importing countries. LRD was undertaking effective action to conserve and develop plant genetic resources, which were important to both food security and climate change adaptation. The Centre for Pacific Crops and Trees (CePaCT) maintained important regional collections of the genetic resources of Pacific staples such as taro – the taro collection now included 835 accessions of traditional and improved varieties. In relation to the specific needs of atoll PICTs, a particular highlight during the year was the opening of the Centre of Excellence for Atoll Agriculture Research and Development in Kiribati. LRD continued to support the Pacific Disaster Risk Management Network, e.g. through the Pacific Regional Influenza Pandemic Preparedness Project (PRIPPP). He concluded by noting that LRD needed additional resources to achieve the outputs of its new strategic plan, which responded to the decisions of the Forum leaders and the objectives of the Pacific Plan. (The full text of this presentation is available from the Secretariat as CRGA 38 Paper 2.2).

20. The Chair thanked the Director for his presentation and invited comments.

21. Members all thanked the LRD Director for the assistance provided by the division and for his very comprehensive presentation.

22. Responding to a question on the restructuring of the organisation, the Director-General explained that the current reforms of the organisation were driven by the significant expansion of some programmes rather than by the outcomes of the RIF. He added that although climate change came under SPREP (Secretariat of the Pacific Regional Environment Programme), it potentially impacts on a number of SPC activities, particularly in agriculture, and that programmes were being shifted to better respond to these new challenges.

23. The Secretariat noted the following specific comments from members:

- The representative of Nauru expressed appreciation for SPC's assistance in carrying out the inventory of its flora and fauna.

- The representative of Wallis and Futuna acknowledged the valuable work of DSAP and requested the Secretariat to provide additional assistance in 2009 in fighting brucellosis and leptospirosis, as Wallis and Futuna has a high rate of brucellosis.
- The representative of Kiribati thanked LRD for assistance in addressing food security and in exploring ways to increase food crop production on atoll soils. Kiribati also welcomed existing collaboration between SPC divisions and between regional organisations, which directly benefits rural communities.
- The representative of FSM stressed the far-reaching importance of many LRD activities to the region.
- The representative of PNG welcomed efforts by the Secretariat to address the impact of the EU funding shortfall and climate change mitigation, and for ensuring that its strategic plan and programme of activities for 2009–2012 were endorsed by Pacific Ministers of Agriculture and Forestry at their September 2008 meeting.
- The representative of Tuvalu stressed the importance of atoll agriculture and of DSAP's work, and requested that consideration be given to extending funding for SIS agriculture programmes. Tuvalu registered its interest in benefiting from work carried out in crop production, particularly in relation to the impact of climate change on agriculture and research on salt-tolerant crops. Tuvalu expressed appreciation for LRD's assistance in facilitating the opening of trade between Rotuma (in Fiji) and Tuvalu, as well as Tuvalu's mission to Rotuma.
- The representative of Marshall Islands welcomed the future opening of a Centre of Excellence for Atoll Agriculture in the Marshalls and registered appreciation to SPC for responding to requests to pay more attention to atoll agriculture.
- The representative of Fiji Islands also thanked LRD for its support of the bilateral initiative to open trade between Fiji and Tuvalu (through Rotuma), and acknowledged the excellent collaboration of the government of Tuvalu, noting that this model could be used to develop similar initiatives in the region.
- The representative of Cook Islands thanked LRD and donors for their support and expressed satisfaction at seeing that discussions had commenced with the UN Security Council Committee on Resolution 1540.
- The representative of Solomon Islands welcomed SPC's work on the forest certification programme in Fiji and hoped that this could be extended to other countries with a forest industry.
- The representative of Niue requested assistance in marketing its taro production and offsetting dependence on imported food crops, and asked SPC to focus on development of agriculture in remote and rural areas. Niue also thanked SPC for assistance in livestock development, particularly in setting up piggeries. Niue is now targeting organic agriculture, including organic honey and noni production.
- The representative of Tokelau acknowledged SPC's support for the crop and gardening programme on Tokelau, and stressed the positive impact of these activities on the population. Tokelau requested SPC's assistance to address the problem of invasive ants and their impact on gardening, and supported SPC's efforts to address the issue of climate change at the international level.
- The representative of Palau acknowledged the valuable assistance of DSAP, particularly in relation to the use of charcoal for soil improvement. With respect to the regionally harmonised bill on biosecurity, Palau informed SPC that the bill was temporarily on hold pending the elections.
- The representative of Samoa welcomed SPC's work in biosecurity and quarantine, and looked forward to more emphasis on these issues in view of their importance to trade facilitation. Samoa is according particular importance to food security and increased food production and encouraged further collaboration in these areas between FAO (Food and Agriculture Organization) and SPC. Samoa acknowledged collaboration between SPC, the Australian Centre for International Agricultural Research (ACIAR) and CePaCT to remedy taro food blight and develop food crops, and hoped to see more effort in this area. Samoa also noted that some countries had benefited more than others from SPC assistance and enquired about the modalities involved.

24. The Secretariat responded to questions from members as follows:

- Joint country strategies (JCSs) form the new basis and framework for SPC assistance to countries. They outline what a country can expect from SPC and what SPC is expected to deliver. At this point, SPC responds to requests for assistance from members, but expects to have JCSs in place for all PICTs by 2010.
- In relation to the database on Asian logging companies, the Director-General confirmed that the intention was to provide similar information on all logging companies.
- The Director-General and the LRD Director confirmed that SPC and the Forum were working closely on the issue of land management and conflict minimisation to unlock the full potential of land. A study had been carried out by the Forum, and SPC had been requested to take the lead in implementing a project in collaboration with the Forum.
- The LRD Director pointed out that SPC staff from throughout the Pacific Island region gain valuable experience while working at LRD, and when they return home, member PICTs also benefit from this experience.
- The inventory of Nauru fauna and flora has been completed and the Secretariat is ready to assist further and to start implementing the recommended action.

DECISIONS

25. CRGA:

- i. noted and endorsed the decisions made by Pacific Ministers of Agriculture and Forestry at their second regional conference, 8–9 September 2008, Apia, Samoa, including their approval of LRD's strategic plan for 2009–2012;
- ii. welcomed the high priority accorded by Pacific Islands Forum leaders in their Niue communiqué to food security, climate change adaptation, and land management and conflict minimisation, which was subsequently endorsed by the Ministers of Agriculture and Forestry at their regional conference in Apia;
- iii. acknowledged that LRD will require additional resources to implement the decisions made by Forum leaders;
- iv. endorsed the Secretariat's efforts to secure resources to implement effective responses to food security, climate change adaptation, land management and conflict minimisation as a matter of urgency; and
- v. requested development partners to support SPC's efforts to make a difference in the lives of Pacific people by enabling the organisation to implement the decisions taken by Pacific leaders.

AGENDA ITEM 2.3 — MARINE RESOURCES DIVISION

26. The Director-General introduced the presentation of the Marine Resources Division (MRD) report by explaining that the former Director, Dr Tim Adams, had just left SPC and that the new Director, Mr Mike Batty, had not yet taken up the post, although he was present at the meeting in his current capacity as a Forum Fisheries Agency (FFA) representative. The managers of the three programmes within the MRD (Coastal Fisheries, Oceanic Fisheries, and Maritime) reported on the work carried out by their programmes in 2008 and summarised the main emerging issues. Each of these programmes is approximately halfway through its strategic plan period. The two fisheries programme plans are due to run until the end of 2009 and their review will take into account the results of the study on the 'Future of Fisheries' to be carried out by SPC jointly with FFA. Draft terms of reference have been drawn up for the study. The Regional Maritime Programme plan is due to run until the end of 2010. MRD has a staff of 75 and a total budget of 9,451,000 CFP units for 2008. The vast majority of the work of the MRD is made possible by programme and project funds.

➤ **Coastal Fisheries Programme**

27. The Coastal Fisheries Programme (CFP) Manager presented the activities of the programme, starting with status reports on finfish, trochus, sea cucumber, the aquarium trade and the value of aquaculture. The purpose of the status reports is to ensure that these resources are managed sustainably. In summary, the CFP Manager explained that knowledge of coastal fisheries resources is improving but there are still gaps in the data, national management is still sporadic in the region, some overfishing is occurring, export invertebrates are overfished in many locations, demand for coastal fisheries resources is increasing, and the effects of increasing population on resources need to be monitored. An Aquaculture Action Plan and the Pacific Islands Regional Coastal Fisheries Management Policy (the Apia Policy) have been developed and endorsed at the highest level in the region. Future directions in coastal fisheries include a focus on (i) enhancing nearshore, small- and medium-scale fisheries, (ii) improving coastal and reef fisheries management plans and operations through an ecosystem approach, (iii) establishing and supporting the scientific assessment database in reef fisheries, (iv) developing aquaculture, and (v) maintaining a regional repository of information. Resourcing is an issue, with EU funding for coastal fisheries activities finishing early in 2009, creating predicted gaps of 550,000 CFP units in 2009 and in 2010, which will make it difficult to provide ongoing scientific support.

➤ **Oceanic Fisheries Programme**

28. The Oceanic Fisheries Programme (OFP) Manager, noted that the most recent assessments of the status of major tuna stocks indicated that overfishing of bigeye tuna was continuing and the stock was continuing to decline, while yellowfin tuna was at least fully exploited and there was a significant probability that overfishing was occurring. Skipjack tuna catches continued to increase, to a record 1.7 million metric tonnes in 2007. Such high catches were considered sustainable unless recruitment to the fishery fell persistently below the long-term average.

29. A major focus of OFP's work in 2008 was the implementation of the Pacific Tuna Tagging Programme (PTTP), an SPC initiative that has been endorsed by Pacific Forum leaders and that meets Pacific Plan objectives. This ambitious research programme will provide critical new information on tuna population dynamics and exploitation patterns in the western and central Pacific Ocean. In relation to the future directions and resourcing of OFP, he said the advent of the Western and Central Pacific Fisheries Commission (WCPFC) had had a major impact on the work of OFP. WCPFC is developing its procedures and work programmes and, since 2005, has begun to implement conservation and management measures that directly affect many SPC members. Currently, OFP met the ongoing scientific support needs of SPC members, which was its core business, through a combination of programme and project funding. There was a need to convert project-funded positions involved in this core business to more secure programme funding. OFP also required additional capacity to meet ever-increasing demands for scientific support as national obligations increased and more sophisticated fisheries management structures were introduced.

➤ **Regional Maritime Programme**

30. The Manager of the Regional Maritime Programme (RMP) addressed four main issues: maritime security, monitoring and compliance; shipping services for small island states and territories (SIS); and the work of regional maritime associations. He noted that RMP and Australia's Office of Transport Security (OTS) had jointly organised the first regional conference on emerging maritime security issues in the Pacific. RMP and OTS had also completed a joint study in January 2008 on security risks relating to cruise shipping in the Pacific. RMP continued to assist countries to maintain compliance with the STCW-95 ('White List') and ISPS Code requirements through free-of cost compliance audits and advice. In relation to SIS shipping services, RMP began a shipping commodity project in May 2008, which focuses on improving intra-regional sea trade in the Pacific Islands region. In 2009, RMP will move from the MRD to form the basis of a new division focused on transport, infrastructure and security. (CRGA paper 2.3 is available from the Secretariat on request.)

31. The Chairperson opened discussions on the MRD programme. The members thanked the presenters for their work and that of their staff, and acknowledged the contributions made by the division. In addition, individual members made the following specific comments:

- The representative of Nauru asked for further information on SIS shipping arrangements, and a timeframe for when Kiribati could help other SIS with a shipping service.
- The representative of Kiribati expressed her concern about the impact of the termination of EDF funding on the work of the CFP, especially in regards to the PROCFish project. She asked about the implications for the work of the CFP if no bridging funding was found, and what SPC intended to do to find funding to ensure the work could continue. She expressed gratitude for the work of RMP, and noted the negative developments mentioned with respect to Kiribati's seafarers, which the government is seeking to address. She urged other PICTs to take heed and not follow in Kiribati's footsteps.
- The representative of FSM acknowledged the work being done by SPC, including efforts addressing illegal fishing. He noted this work is being supported by the United States and Australia.
- The representative of Australia noted that it was very encouraging to hear the positive comments from members on the benefits of MRD programmes, and suggested it would be helpful to see those impacts reflected in the papers provided by the Secretariat. She noted that AusAID was involved in negotiations to provide some supplementary funding in 2009, but would like to hear from SPC regarding plans to address the crucial lack of core funding for MRD programmes. She also asked for clarification regarding the status of the joint FFA and SPC study.
- The representative of Cook Islands thanked RMP for assistance to Cook Islands in putting international standards in place, which had enabled Cook Islands to join the International Maritime Organization (IMO) in 2008.
- The representative of Solomon Islands inquired about SPC's work in collaboration with the initiators of the Coral Triangle Initiative.
- The representative of the United States inquired about tag recovery arrangements in American Samoa and offered to help facilitate recovery as needed. She also inquired about the development of an independent scientific capability in WCPFC, and how this would affect OFP's work. She also asked when the terms of reference (TORs) for the FFA/SPC study had been released.
- The representative of Palau inquired how SPC's work for the Tuna Commission benefited SPC members.
- The representative of Fiji asked for clarification regarding the TORs for the FFA/SPC study.
- The representative of Niue mentioned the benefits of a conservation programme undertaken in Niue under the International Waters Programme, and observed that conservation could be undertaken as part of an ecotourism programme. He noted that during the 2008 Forum meeting, the premier of Niue focused on the importance of marine resources, observing that their exclusive economic zone (EEZ) was effectively their fish farm. He noted the importance of determining how Pacific Community members could mutually benefit from their fisheries resources. He also acknowledged the importance of fish aggregation devices (FADs), and asked that funds for implementation of FADs be included in SPC's budget. He noted the importance of shipping for SIS, and said freight costs were increasing, while quantity was declining. He asked for updates regarding RMP, and said Niue would like to be included in communications regarding training opportunities.
- The representative of Pitcairn Islands noted that it has an EEZ of some 800,000 sq km, with ongoing poaching by large vessels that Pitcairn is powerless to effectively monitor or regulate with its two longboats. He asked for ideas on how to address the problem.
- The representative of Wallis and Futuna noted it also has a problem with illegal fishing in its EEZ, and problems with SIS shipping services, including high cost and lack of competition. He inquired if either the Forum or SPC could provide assistance.
- The representative of PNG noted the many activities carried out by RMP with respect to compliance audits. He observed that few Pacific Community members are members of IMO, although they were subject to the dictates of IMO's larger members with respect to international regulations. He questioned whether IMO understood that PICTs could not keep up with the compliance regimes that were being put in place. He complimented RMP on its information products, and expressed concern regarding the services being provided by the Pacific Forum Line and the lack of feeder services.

32. The representative of the United States provided clarification to members regarding ship-rider and ship-boarder agreements, which they have entered into in an effort to help PICTs protect the region's maritime resources. Ship-rider agreements require the presence of a member of a country's enforcement

service onboard a United States Coast Guard (USCG) patrol vessel, while ship-boarder agreements allow USCG vessels to stop and board third-country vessels within a PICT's EEZ under specific circumstances. In 2007, the US had four temporary agreements that were very successful, and has now signed four permanent agreements. In May 2008, the US initiated a ship-rider agreement with FSM. Illegal fishing vessels were seized in FSM waters in 2007 under a temporary agreement.

33. The representative of Kiribati acknowledged the recent visit by RMP to Kiribati regarding the feeder shipping service, and noted that a set of costed proposals were presented to SPC on the use of a Kiribati state-owned vessel as a short-term solution for an SIS feeder service. As explained to the RMP team, Kiribati has been providing a regular service to Tuvalu for Fiji-based cargo. Kiribati wants to move forward with the proposals made to RMP, and encouraged SPC to work with SIS members to make this possible. In the short term, a commodity mapping exercise is necessary to determine how much cargo could be sourced from Fiji to progress with the short-term option of using an existing ship. The mapping exercise will also be very important in determining the required size of a purpose-built vessel and the potential route, and should help inform a future study on such a vessel. With regards to commercial ship management, Kiribati recommended that where possible, SPC should ensure that in-country training is one of the services provided by the proposed SIS ship management unit.

DECISIONS

34. CRGA:

- i. noted the challenges being faced by the Oceanic Fisheries Programme in continuing to provide the scientific support required by SPC members as more sophisticated tuna fisheries management regimes are adopted;
- ii. noted the challenges being faced by the Coastal Fisheries Programme in continuing to provide the scientific support required by SPC members as project funding support is discontinued, and also noted the financing requirements implicit in the Apia Policy, the Aquaculture Action Plan, and the Regional Aquatic Biosecurity Capacity-Building Project;
- iii. noted the need for additional funding of 340,800 CFP units for the Regional Maritime Programme to sustain important maritime security services during 2009;
- iv. supported the augmentation of longer-term programme funding for the core business of SPC's Marine Resources Division programmes; and
- v. noted the proposed terms of reference for the Future of Fisheries study, subject to comments to be submitted to SPC by 31 October 2008.

AGENDA ITEM 2.4 — SOCIAL RESOURCES DIVISION OVERVIEW

35. The Director of the Social Resources Division (SRD) summarised the resources, both human and financial, that the division has at its disposal and highlighted key results that SRD's various programmes have produced in support of the development of member countries and territories. He noted that the division includes five programmes: Public Health Programme (PHP), Statistics and Demography Programme (SDP), Human Development Programme (HDP), Regional Media Centre (RMC) and the Regional Rights Resource Team (RRRT). In 2008, the division had around 120 staff and a budget of 23 million CFP units. Each programme was guided by a strategic plan (RRRT would present a draft plan for comment). He noted that SRD's programmes strongly supported efforts to achieve the objectives of the Pacific Plan, e.g. through efforts to address non-communicable diseases (NCDs) and HIV and STIs, work on statistics and development indicators, provide inputs to the Forum Basic Education Action Plan, and engage on TVET (technical and vocational education and training) issues. SRD was also engaged in global initiatives, such as efforts to improve PICTs' ability to report on progress towards achieving the MDGs. He noted that progress was being made in addressing some very difficult issues, such as addressing HIV (regionally) and malaria in Solomon Islands and Vanuatu. SRD is SPC's largest division, with 42 per cent of the total staff (as of 2008),

and 53 per cent of the work programme budget. There had been close to 60 per cent growth in both human and financial resources over the last 3 years, with about 75 per cent of the growth taking place in PHP. A significant and increasing share of PHP's funding is transferred to countries in the form of direct grants (25 per cent in 2008, and 54 per cent in 2009). He noted some of the challenges faced by SRD in 2009 and beyond. Internal challenges included managing the division's unrelenting growth, effectively coordinating work within and across programmes in SRD, and adapting to PHP's new business model, in which significant funding is being channelled to PICTs. External challenges related to increasing urbanisation in PICTs, an expanding youth population, and the lack of a social safety net in many PICTs. In conclusion, he noted the need for all SRD programmes to expand their capacity to offer meaningful policy advice, and to extend the reach of programmes to below the national level. He said that PHP, which will become a stand-alone division in 2009, needed to be restructured to enable it to adopt a 'whole of health' approach, with an expanded capacity to address the social determinants of health. He also noted the need for additional funding for SRD's other programmes. (CRGA paper 2.4 is available from the Secretariat on request.)

36. The PHP Manager gave an overview of the programme's funding, and acknowledged a number of its important donors, including Australia, the Global Fund, World Health Organization (WHO), Asian Development Bank (ADB) and New Zealand. He noted that PHP employs six primary strategies: (i) increase the focus on member priorities through joint country strategies; (ii) align with national strategies and priorities; (iii) promote partnerships, alliances and joint approaches; (iv) support implementation of global (i.e., WHO) approaches and their adaptation to national contexts; (v) harmonise approaches and frameworks; and (vi) support multi-sectoral approaches. He highlighted the '2-1-22' approach (two agencies, one team, 22 countries and territories) being taken by WHO and SPC to address NCDs in the region. He gave examples of projects that were channelling funds directly to PICTs through PHP and noted that the volume of such transfers had increased by a factor of three. He described how PHP had contributed to progress in achieving the health targets related to the Millennium Development Goals (MDGs), and provided a brief preview of the approach that PHP would take in the coming year, when it would become a stand-alone division.

37. The representative of Samoa inquired about the proportion of the PHP budget that would take the form of 'pass-through' grants under the 2009 budget, and asked whether SPC could assist PICTs in reviewing the capacity of their public health services. She also observed that there is a need to prioritize the provision of health services in PICTs.

38. The representative of PNG commended the excellent work done by SRD over the years. He agreed with the representative of Samoa regarding the work that needs to be done to improve health services nationally. He also cautioned that a focus on specific diseases (e.g. HIV) may take resources away from other important diseases and public health concerns such as NCDs and malaria. He also inquired whether establishing regional offices would allow assistance to be provided more efficiently, and noted the importance of collaboration and coordination, such as with WHO and UNAIDS.

39. The representative of Kiribati expressed her thanks to presenters. She commended the work done by PHP, especially that carried out in Kiribati. She acknowledged Australia, New Zealand and other development partners for their continuing support, and the importance of collaborative work undertaken by SPC with partners such as WHO and ADB. She expressed hope that there would be greater efforts made regarding collaboration and harmonisation of activities. She also noted that the emergence of NCDs was a major challenge that absorbed a significant proportion of the national budget. She said there was value in combined approaches with other SPC programmes, such as the Community Education Training Centre (CETC) and LRD, and said Kiribati sees real merit in working on a broader level to promote healthy lifestyles. She expressed appreciation for the work undertaken in helping governments meet priorities and achieve the MDG targets, and the hope that donors would continue to provide support.

40. The representative of Niue thanked SPC for the work of SRD, including that of PHP, and thanked donors for their support. He noted the need for ongoing support for important measures such as raising the duty on alcohol and tobacco. He also offered his government's apologies for the views expressed by Niue's Director of Health (that people living with HIV should be isolated), which he said did not reflect the views of either the government or the health department.

41. The representative of Nauru expressed appreciation for the work of SRD and thanked donors for their funding support.

42. The representative of Solomon Islands voiced appreciation for the ongoing partnerships and cooperation in the health sector in Solomon Islands, which he said benefited many people. He requested clarification on the form of the grants that will be provided to Solomon Islands.

43. The representative of Cook Islands inquired whether the planned pilot study on health priorities in the region was needed, observing that national priorities were well known, and urged action to help address rather than re-identify the priorities. She also inquired whether consultations were being held between PHP/SRD and PIFS with respect to trade negotiations, which she observed are closely linked to health issues. She asked whether an analysis of the effectiveness of SPC's health-related advocacy programmes had been undertaken, suggesting that it would be helpful to examine how healthy lifestyles were promoted and advocated.

44. The Director-General noted the interest expressed by representatives in a review of the capacity of health programmes in PICTs, noting that this was a particular strength of WHO. He said if members agreed that this was a priority, SPC would undertake to carry out such reviews in conjunction with WHO. He said that the representative of Cook Islands was correct in observing that mapping of health sector priorities had been done, but indicated that most of the priorities that impact on health are outside the health sector. In many instances, the impacts on health from actions or activities in other sectors are not obvious to people working in these sectors. He noted that if improvements were undertaken in these sectors, health problems would decrease markedly. He said there was a need to map national government priorities, and to match government expenditure of resources to priorities. He also noted that significant health expenditure was now undertaken by NGOs and other bodies outside government. He said that the mapping exercise was ambitious and would be expensive, and explained that SPC would therefore first undertake a pilot to ensure the approach was workable. He observed that CROP has a health working group, chaired by SPC, and the group has been addressing trade issues, including decisions on tariffs. He said an effort was underway to ensure the process of providing grants to countries was streamlined and transparent at country level.

45. The SRD Director thanked members for their encouragement and endorsement of SRD's overall direction. He noted that the proportion of SRD's budget in the form of direct grants to countries would increase threefold in 2009, and indicated that this created some challenges at country level if systems were not in place to allow countries to rapidly make use of the grant funds, such as through expansion of their workforce. He shared the concerns expressed by the representative of PNG regarding the distortions that can occur when action on some diseases was well funded, while action on others was under-funded. He noted that this could affect training opportunities for workers, and could divert government funds from other priority areas. He said that SPC would continue to try and help countries take a 'whole of health' approach. He provided some examples of the grants being provided to Solomon Islands in 2009, which he said would help achieve the goal of 100 per cent bed net coverage in 2009, and increase diagnostic coverage to 100 per cent of health services. He closed by noting the need to effectively help people to modify risky behaviours if the region was to be successful in addressing health issues in the long term.

46. The PHP Manager said that it was important to strengthen health systems, and that a good information system would assist in determining where the real priorities lay. He pointed to the need to identify emerging diseases. He said that it was important for SPC to increase the proportion of programme rather than project funding, and for PICTs to expand their health workforces and their competence. He also noted that SPC's NCD section had been working with PIFs on limiting sales of alcohol, tobacco, etc.

47. The representative of Australia noted that while her country was aware of the importance of adopting a 'whole of health' approach, it had dedicated significant resources to responding to HIV and STI issues, including through the establishment of the HIV and STI Response Fund. She said that the major focus of the fund was at the country level, and said that Australia looked forward to working with SPC and other development partners to support the fund and its work.

48. The meeting watched a video showing Dr Banare Bun of PNG officially launching the HIV and STI Response Fund.

49. The HDP Manager provided an overview of the programme's activities in 2008. She was pleased to point out that the programme had achieved full staffing capacity this year with the appointment of advisers in gender, youth, culture and human development, and now had 18 staff based in Noumea, Suva, Honiara, Tarawa and Pohnpei. HDP's focus had been on implementation of the strategic plan approved by CRGA last year. HDP had developed and renewed a number of strategic partnerships regionally and internationally. Synergies had been achieved within the organisation across SRD programmes and between SPC divisions. HDP had held roundtable discussions on youth, gender and culture, and hosted partner and stakeholder discussions. CETC had taken steps towards achieving the status of a centre for excellence in community training. For example, a study had examined best-practice community development approaches and how best to incorporate them in CETC's training programme and mode of delivery. The highlight of the year for HDP had been the SPC-wide assistance provided to American Samoa for the Tenth Festival of Pacific Arts.

50. The SDP Manager demonstrated by example how the programme provided technical assistance, training and capacity supplementation to PICTs across a broad spectrum of activities related to population censuses, household surveys and administrative databases, ranging from project design and inception to dissemination of data and training of national staff. SDP has a staff of 13 based in Noumea and its numbers are expected to grow in 2009. SDP has developed a comprehensive strategic concept note, currently under discussion with development partners, to develop a multi-year statistical collection and development programme that will ensure a planned, rather than ad hoc approach to key household surveys. It is expected to provide PICTs with a core set of common development indicators across key sectors that will form the basis for regular monitoring and reporting of progress.

51. The RMC Coordinator said that the Centre continued to provide media training and capacity supplementation in PICTs in 2008, as well as media production services for PICTs and SPC programmes, with a number of documentaries and training videos being produced. The Pacific Way television and radio programmes continued to be a major success in the region for RMC. The support provided to the Tenth Festival of Pacific Arts in American Samoa was the highlight of the year, with production of daily television broadcasts for the first time and festival DVDs. He noted that RMC had won the Fiji 'cameraman of the year' award for the third year in a row. RMC is based in Fiji and has a staff of 13.

52. The Project Manager for RRRT said that RRRT became SPC's newest programme in 2008, following the decision in 2007 by the SPC Conference that SPC should host RRRT after it left the UNDP Pacific Centre. RRRT, which is based in Fiji, is a technical advisory and training team specialising in governance and human rights issues. Its proposed strategic plan for the period 2008–2012 was submitted to CRGA for comment and will be finalised after further stakeholder consultation. RRRT is currently working on a number of joint programming initiatives in close collaboration with other SPC programmes such as the PHP HIV & STI Section and HDP. Work on human rights and governance at the policy level will be undertaken in partnership with PIFS.

53. The representative of the FSM thanked SRD for its support, particularly HDP for assistance provided in the youth sector – a critical issue on the national agenda – and in gender and community training. He also noted that three women from FSM graduated this year from CETC.

54. The representative of the United States recognised the important contribution of SRD, particularly PHP's work on NCDs and surveillance. She said a recent US-sponsored conference on tackling diabetes had been organised for Northern Pacific members, and noted the need to ensure that follow-up activities complemented SPC programmes. She expressed appreciation for the opportunity to comment on the RRRT strategic plan.

55. The representative of Kiribati said she had attended the recent CETC graduation ceremony and stressed the value her country accorded to CETC's contribution to training community workers over the years. She welcomed the widening scope of CETC and suggested that SPC should monitor and assess the full impact of its programme at the country level. She said that the curriculum offered scope for further development of income-generating activities and community development and added that the JCS would provide a constructive focus to further advance Kiribati's priorities. Noting the HDP's future funding constraints, she expressed the hope that it will continue to provide valuable assistance. She agreed that good statistical data were essential for policy making and planning and regretted that these data were outdated in

Kiribati. She requested SPC's assistance and additional resources to strengthen local capacity, particularly in relation to the demographic and health study. She welcomed RMC's past assistance in setting up a television station and translating relevant information materials in I-Kiribati, and requested ongoing training and technical support in this area. She expressed appreciation to RRRT for carrying out human rights training for parliamentarians and lawyers from the region and looked forward to further support and capacity building in human rights and CEDAW (Convention on the Elimination of all forms of Discrimination Against Women) reporting.

56. The representative of PNG thanked CETC for the useful and instructive training opportunities extended to women from his country over the years, and RRRT for the award given to Women of Peace. Referring to the significant staff reduction in his country's statistical office, he explained that this had been due to the changing priorities of successive governments as well as movement of the section to different ministries, and that this situation remained a problem. Referring to RRRT's critical work on highlighting human rights in the region, he stated his country's interest in family law and the current work initiated in this area in PNG. He said that lack of capacity affected his country's ability to report on human rights conventions and enquired about training opportunities to support this process. Referring to the joint agreement between SPC and PIFS on a human rights regional framework, he highlighted the need to sensitise countries such as PNG to the need for such mechanisms to be independent, stressing that they should never be subsumed under the national ombudsman.

57. The representative of Niue said that his Premier had taken on the youth portfolio in recognition of its importance to the country. He stressed the importance to his government of having up-to-date statistics, including health statistics, for proper planning and development, and suggested that these statistics should be in electronic format for easy transmission to overseas specialists. He thanked RMC for the much appreciated live broadcast during the Tenth Festival of Pacific Arts. He also mentioned the abuse of copyright on Niue's music and songs and asked for assistance.

58. The representative of Marshall Islands acknowledged the importance of HDP and youth activities, but regretted that travel costs affected his country's ability to send students to CETC. He hoped that the new subregional office could help decentralise some of these activities. He acknowledged the importance of accurate and recent statistical data and the support of the SDP. He placed on record his appreciation of the 'Pacific Way' programme. He also stressed the impact of climate change on his country and enquired about its relationship to basic human rights. Noting that SRD was tailoring its programmes to the Pacific Plan, he said that territories were not a party to the Pacific Plan but could benefit as SPC members.

59. The representative of Solomon Islands felt there was scope to extend HDP's reporting assistance on CEDAW to other international treaties. He said the National Statistics Office (NSO) appreciated SPC's assistance but required further training in the use of data in order to extend its capacity. He thanked the SDP for assistance in preparing for the 2009 census. Expressing appreciation for the 'Pacific Way' programme, he asked if it could also be made available on DVD for rural and isolated areas. He appreciated the opportunity to comment on the RRRT strategic plan and thanked NZAID, AusAID and other donors for their support.

60. The representative of Tokelau expressed gratitude for SRD's support to his country and challenged SPC to strengthen its support to SIS.

61. The representative of Fiji welcomed the positive collaboration between donors and SPC and its benefits to members. He agreed that capacity was a challenge for all PICTs and that there was a serious staffing shortfall in Fiji's statistical office. He recognised the inclusion of Fiji in the health and democratic survey and looked forward to further collaboration with SDP to finalise this important survey.

62. The representative of Nauru congratulated RMC on winning the 'cameraman of the year' award for three years in a row. He stated the importance of statistics for measuring and monitoring, and acknowledged monitoring assistance from SDP. He stressed the value of CETC to his country. Having visited CETC recently, he highlighted the need to improve facilities, such as the aquaculture pond, and to address issues such as crop theft. Because of scarce resources, development priorities in Nauru took precedence, and Nauru had therefore been unable to take part in the Tenth Festival of Pacific Arts due to financial constraints. He enquired about possible help from SPC and donors for attending future festivals.

63. The representative of Vanuatu noted the importance of CETC to community development and capacity building and asked for this assistance to continue. He asked SPC to conduct an in-country assessment of the impact of CETC training in his country. He also requested assistance with Vanuatu's national census in 2009.

64. The representative of Tuvalu thanked SPC for ongoing support to his country in the area of statistics. Recognising that lack of capacity was a factor, he asked for further assistance in recommending an appropriate structure for the NSO with an adequate level of staffing. He hoped that CETC would continue to receive donor funding and expressed gratitude for the practical CETC training provided to women from Tuvalu, which they pass on to communities. Tuvalu has just completed its human rights report under CEDAW, and is happy to share the lessons learnt in producing the report. Other members may benefit from SPC assistance in writing their report.

65. The RRRT Project Manager noted that RRRT would be having discussions with partners and members over the next six months, and this would be the timeframe for feedback on its strategic plan.

66. The HDP Manager noted with satisfaction the many positive comments in support of CETC. Responding to questions from members, she provided the following clarification:

- HDP is happy to assist countries with copyright issues in the cultural arena through its Cultural Adviser.
- With respect to facilitating attendance at CETC, HDP is considering complementary funding for countries that find it difficult to finance their own students. HDP is also exploring the possibility of utilising regional providers.
- HDP has been tasked with assisting with CEDAW reporting and has therefore placed emphasis on this convention. It recognises that there are other human rights conventions to report on, such as the rights of the child, and agrees that it could report to the Conference of the Pacific Community on their implementation.
- HDP is looking at providing assistance to Tokelau through the JCS.
- HDP has received Fiji's report on preparations for the Pacific Youth Festival to be held in 2009, and is happy to circulate it to members on request.
- Participation in the Festival of Pacific Arts and other regional events is an ongoing issue, not just for Nauru but for many other members. SPC could assist countries with planning their attendance at these events well in advance.
- Information and data on in-country impact assessments of CETC graduates are available on request from CETC.

67. The SDP Manager responded to representatives' questions as follows:

- Demographic health survey coverage depends on resources, and the SDP continues to work closely with members to provide assistance with these surveys and other data and census work. As an example, SDP will soon be discussing with the Solomon Islands NSO how to progress the national census in 2009. In addition, two staff members are currently in Vanuatu to assist with census planning. Requests received have been included in the next round of assistance.
- PNG was cited as an example of a large country where statistical capacity is stretched, to demonstrate that NSO capacity is not just a problem for SIS.

- Training opportunities are available, but some SIS with very limited NSO capacity, such as Tokelau, often miss out on training opportunities because of the pressure of multiple duties and conflicting commitments of a small number of staff.
- SDP was happy to provide technical advice on ideal staffing numbers for NSOs in the region and to develop templates for necessary capacity.

68. The RMC Coordinator thanked the representative of Nauru and said he would pass on his congratulations to the cameraman who had won the award. He also provided clarification on some of the questions raised:

- RMC will explore the possibility of disseminating the Pacific Way series on DVD to remote areas and communities where television is not broadcast.
- RMC continues to work closely with countries to address their particular needs and requests in the areas of technical training and advice, and production work.

69. The Director-General stressed that the Secretariat would be closely monitoring the in-country impact of CETC graduates and would keep members informed of results.

70. The RRRT Manager drew the attention of CRGA to the RRT human rights award that will be awarded this year to outstanding individuals in the region, and invited members to submit names. She also addressed members' questions:

- RRRT will not proceed with the establishment of human rights mechanisms without a clear mandate from PICTs as these institutions can be very costly to members. RRRT does not encourage a regional mechanism at the expense of national commissions, but recognises that a regional mechanism may have advantages.
- Copyright is a human rights issue, which RRRT is happy to address jointly with the Cultural Adviser.
- Climate change is a human rights issue that suffers from not being recognised as such. In spite of some PICTs being directly threatened by climate change and global warming, there is currently no legal recognition of environmental refugees nor of environment as a human right, even though there is growing pressure for this move.

71. The SRD Director thanked countries for the very positive discussion and feedback and said that SPC would take on board the following comments from the discussion:

- There is a real desire on the part of members to make sure that SPC interventions reach the country and community level, with a particular emphasis on youth, culture, women and community education.
- Members have a strong interest in benefiting from capacity building and supplementation, particularly, but not exclusively, in the area of statistics and demography.
- There is a need for countries to have access to accurate and up-to-date information and data, particularly with respect to fulfilling their reporting obligations on international conventions.
- Territories and SIS require SPC not to lose sight of their specific needs, as a matter of equity, and SPC will have to consider how best to address their needs and new ways of delivering services.

DECISIONS

72. CRGA:

- i. noted the work of the Social Resources Division during 2008;
- ii. noted the substantial increase in funding for the Public Health Programme, much of which will be of direct benefit to members;
- iii. invited members to provide inputs to the proposed strategic plan for the Regional Rights Resource Team (RRRT) within the next six months; and
- iv. requested the SPC Public Health Programme to assist members through possible reviews of the capacity of their public health services, noting that in some countries this may already be part of a sector-wide approach.

➤ DVD — TENTH FESTIVAL OF PACIFIC ARTS

73. The representative of American Samoa presented the DVD of the Tenth Festival of Pacific Arts. He said that the festival had been very successful, and thanked the HDP Manager and HDP Cultural Adviser for their support. He acknowledged the commitment of the community and the financial support of the private sector. In particular, he thanked the US Department of Interior for its ongoing support. The festival had been hosted by American Samoa but the participation of all Pacific countries and territories had made it an outstanding success.

74. Representatives viewed the DVD of the Tenth Festival of Pacific Arts, which was produced by the Regional Media Centre, and expressed their appreciation with a round of applause.

75. CRGA thanked the government and people of American Samoa for hosting a very successful Tenth Festival of Pacific Arts in 2008 and wished Solomon Islands well in hosting the next festival in 2012.

AGENDA ITEM 3.1 — FOOD SECURITY IN THE PACIFIC

76. The Director of LRD gave a presentation on food security in the Pacific. He said PICTs have differing reliance on imported and locally grown foods. In PNG and Solomon Islands, much of the food is locally produced, while less than half of the energy and protein required are locally produced in Fiji and FSM. In PNG, some 20 per cent of total food expenditure is spent on food imports; this rises to 45 per cent in Tonga and over 80 per cent in Palau. A heavy reliance on imported foods combined with relatively low export levels result in vulnerability to food insecurity in much of Micronesia and Polynesia, while a low reliance on exports reduces vulnerability in Melanesia. He noted that key challenges faced by PICTs include rapid population growth, rising food and fuel prices, climate change, rural–urban migration and loss of traditional knowledge, and increased consumption of low-quality imports. Fish supplies much of the protein in PICT diets, but projections suggest that PICTs will need an extra 115,000 tons of fish annually by 2030, which coastal fisheries lack the capacity to supply. PICTs are increasingly part of the global economy and are exposed to global price increases. Prices for many imported staples (e.g., canned beef, flour and rice) are increasing across the region, and these price increases feed through into local crop prices. Higher prices result in an erosion of wages and living standards, with impacts highest on urban households. Many PICTs are now highly urbanised. He said that atoll countries lack land and water, generally have poor soils, and lack the financial resources to finance imports. He suggested that solutions could be found by increasing local production, developing education and awareness campaigns, improving land management and administration, and increasing investment in agriculture and fisheries. He noted the need to support farming and increase its attractiveness to youth, and to improve infrastructure (e.g., transport, marketing and storage). He said that governments could reduce the impact of higher prices through a reduction in duty on essential foodstuffs, but noted that tariffs on some less healthy foods could help reduce consumption. He noted the role of the private sector in stimulating domestic and export trade. He urged members to take action, stressing that inaction would lead to worsening health outcomes, higher import bills, and ultimately higher

expenditure for the treatment of NCDs. He concluded by proposing that PICTs adopt a ‘whole of island and government approach’, boost local production, strengthen their infrastructure, create an enabling environment, establish diverse production systems, and raise awareness on good nutrition. (CRGA paper 3.1 is available from the Secretariat on request.)

77. The representative of Kiribati said Kiribati appreciated the work of SPC on food security and the support of donors. She acknowledged that the rising cost of fuel had helped increase the cost of food, and confirmed that Kiribati’s limited land area and infertile soil left it very dependent on imported foods, which she said were linked to a rise in NCDs. She mentioned the coordinated efforts of SPC programmes to assist Kiribati, and in particular offered praise for work on the Centre for Excellence in Atoll Agriculture, which would help Kiribati both financially and in terms of health outcomes. She said that Fiji had agreed to include Kiribati in ongoing discussions with Tuvalu regarding trade in food items, and said Kiribati would welcome SPC’s assistance in facilitating these discussions. She also noted the work of MRD in evaluating Kiribati’s fishery resources. She said that CETC’s programme, which provides training to women in cultivation of crops, was also very helpful.

78. The representative of Pitcairn Islands thanked the LRD Director for SPC’s assistance in the area of agricultural exports. He noted that Pitcairn will begin exporting fruit, produce and fish to the Gambier Islands. In addition to producing export earnings, the project is expected to lead to a healthier diet for Pitcairn Islanders, who at present eat mainly imported foodstuffs. He said Pitcairn looked forward to further developments under the joint country strategy.

79. The representative of Niue noted that Niue has sufficient land and water to grow crops, and had plans to promote hydroponic agriculture and produce vegetable seedlings for growing on. He said Niue is seeking to lessen its reliance on imported foods and vegetables, and would welcome assistance from SPC. He also noted Niue’s desire to expand its export market, and requested assistance in addressing pest-related issues.

80. The representative of France said that his country placed great importance on the issue of food security, and noted remarks made by the president of France at the recent High-Level Conference on World Food Security in Rome, and France’s proposal to create a global facility for food security. He said France shared concerns over the link between NCDs and nutritional deficiencies, and on the effects of bad nutrition on health in PICTs. He suggested that the CRISP (Coral Reef Initiatives for the Pacific) initiative and the work of research institutes in Noumea could play a useful role with respect to food security.

81. The representative of Solomon Islands expressed appreciation for the help given by SPC to the agriculture sector in Solomon Islands. He noted that Solomon Islands produces much of its own food, but remains vulnerable nonetheless in terms of food security. He said Solomon Islands would welcome assistance on crop protection, possibly through a facility that would address both food security and food crop protection. He inquired about the status of SPC’s crop protection unit, and said it could work with Solomon Islands.

82. The representative of the United States acknowledged the importance given to food security by Forum leaders, and commended SPC’s emphasis on gardens, on healthy food choices, and on creative ways to improve food security. She noted, however, that the United States had concerns with the context and way in which issues were framed in the paper presented, in particular with the sections that conflated food imports and food insecurity. She said she would be interested in learning which ‘global monopolies tend to control most aspects of the agri-business supply chain’, as noted in paragraph 3 of the paper. She also raised the role of consumer choice as a factor in determining which foods are consumed. She questioned the link made between the increase in biofuel production, particularly in the United States, and increased food prices, and said that biofuel production had helped reduce fuel costs, which are themselves a leading factor in food price increases.

83. The representative of PNG thanked the Director for his presentation. He agreed with the United States that it would be helpful to undertake research on the specific nutritional impact of imported vs. local foods. He also mentioned the role of landless youth in PNG, which has exacerbated food security issues in urban and peri-urban areas. He noted the need to examine issues relating to infrastructure, such as road and

air transport, the important role played by the private sector, and the need to address problems faced by communities that lack adequate or suitable land to produce food.

84. The Director of LRD noted that building linkages between sectors to improve food security was very important. He noted the efforts being made by Pitcairn regarding food exports. In response to concerns raised by the United States on the link between imports and food insecurity, especially nutritional insecurity, he observed that these links were made in reports presented to HOAFs and MOAFs meetings earlier in 2008. He indicated ministers had requested that SPC undertake a study in the region's markets to establish the quality of imported foodstuffs. Regarding biofuels, he indicated that the link between biofuel production and food prices was drawn not from SPC's work, but from published sources. He emphasised that SPC is targeting nutritional security through on-the-ground work with PICTs. In reference to the comments from Niue, he noted the work done by DSAP and FAO on hydroponics. He expressed his appreciation for France's comments regarding food security at the Rome summit, and said that Pacific Ministers of Health were seeking to try to arrange a high-level inter-sector meeting in 2009 to address the issue in an integrated way. He noted PNG's comments, and agreed that private sector involvement is very important. He also said he recently learned of a substantial road infrastructure project in PNG, and said SPC would try and link that with work being done by SPC on food security.

DECISIONS

85. CRGA:

- i. supported the priority given to addressing food security by the Forum leaders in their Niue Communiqué;
- ii. recognised the importance of a multi-sectoral approach and encouraged a 'whole of society' and 'whole of government' approach to providing food security;
- iii. supported the work SPC is leading to assist members to address the food security challenges they face across a range of sectors; and
- iv. encouraged development partners to provide additional support to strengthen the capacity of SPC programmes to assist members to achieve food security by adopting the conclusions in CRGA paper 3.1 (paragraphs 25–36) that relate to:
 - a. boosting local production of crops and fish;
 - b. making agriculture attractive to youth;
 - c. strengthening infrastructure for food distribution;
 - d. reducing the burden of higher food prices;
 - e. providing incentives for economic growth;
 - f. diversifying production systems to adapt to climate change;
 - g. developing urban agriculture; and
 - h. raising awareness of the nutritional value of local foods.

AGENDA ITEM 3.2 — CLIMATE CHANGE: CONTRIBUTIONS FROM SPC TO REGIONAL AND NATIONAL ADAPTATION INITIATIVES

86. The Manager of SPC's North Pacific Regional Office in Pohnpei, FSM, gave a presentation on the organisation's response to the challenge of climate change. He highlighted some of the projected changes to climate and oceanic conditions, and briefly examined the likely impacts on the agriculture, forestry and fisheries sectors. He noted that sea level is projected to rise by .2 to .6 metres by 2100, with an increase in sea surface temperatures of 1° to 3°C. Rainfall is projected to increase in the eastern Pacific and decrease in the southern Pacific. Ocean warming will result in increased acidification of sea water, and more intense tropical cyclones. These physical changes will impact on food security, livelihoods and economic growth. Although higher carbon dioxide levels could increase the yield and growth of some species, ecosystem services are likely to be adversely affected. Warming will shift tuna stocks eastward, and result in a decline in coral reefs and coastal fisheries. Increased cyclones are likely to cause more damage to infrastructure, including the loss of houses and other buildings on atolls and low-lying islands, and will complicate the development of coastal aquaculture. Waterborne diseases and diseases for which mosquitoes are a vector will increase. He then outlined the responses from SPC. These include taking advantage of biodiversity through measures such as the development of 'climate ready' varieties of crops and trees, employing simple technologies to increase the ability of farmers to adapt to changing conditions, and providing support for atoll PICTs through the establishment of Centres of Excellence for Atoll Agriculture. Other responses include development and deployment of low-cost FADs, and an effort (supported by Australia) to assess the impact of climate change on fisheries and aquaculture. A number of SPC's ongoing initiatives will increase the capacity of PICTs to address the public health challenges associated with climate change. SPC is also working in partnership with SPREP and other CROP agencies to implement the Pacific Islands Framework for Action on Climate Change, which was endorsed by Forum leaders. (CRGA paper 3.2 is available from the Secretariat on request.)

87. The representative of New Zealand welcomed the presentation by SPC, which he noted was a very useful summary. He said that climate change would impact sectors that already face challenges, and observed that addressing climate change adaptation by putting efforts into these sectors made sense, as it produced both immediate benefits in addition to any longer-term climate change-related benefits.

88. The representative of France thanked the presenter and noted that France is particularly involved in climate change-related efforts, as was stressed at the recent SPREP meeting. He said that the 11th Pacific Science Association Inter-Congress to be held in Tahiti in 2009 would address climate change, in particular the acidification of the oceans. He also noted the role of the CRISP initiative in making it possible to monitor the effects of climate change on coral reefs in the region.

DECISIONS

89. CRGA:

- i. recognised the long-term threat posed by climate change to the capacity of the agricultural, forestry and fisheries sectors to provide food security, livelihoods and economic growth;
- ii. endorsed the strengthened focus on climate change activities within the Land Resources and Marine Resources Divisions and the Public Health, Statistics and Demography and Human Development Programmes, particularly those aimed at helping rural communities adapt by diversifying methods for producing food and generating income;
- iii. noted the strong cooperation between SPC, SPREP and other CROP agencies to assist PICTs to achieve the goals of the Pacific Islands Framework for Action on Climate Change, in line with the Niue Declaration on Climate Change; and
- iv. supported the efforts of SPC and its partners to obtain the resources needed to further develop strategies and implement effective demonstration projects.

AGENDA ITEM 3.3 — SUSTAINABLE LAND MANAGEMENT FOR ECONOMIC GROWTH AND SECURITY

90. SPC's Land Use and Resources Policy Adviser (LRD) said that 85 per cent of all land in PICTs is customarily owned. Having secure access to customary land for economic development, while at the same time ensuring sustainable use of that land, has become more urgent with the need to increase the pace of economic growth in the region. He said customary and introduced land management systems have co-existed for a long time. It is now generally accepted that individualisation of customary ownership rights is not a necessary condition for increased economic activity, which can be achieved by maintaining and protecting group-based customary tenure while allowing individuals to use rights consistent with the requirements of a market-based economy. Customary mechanisms for resolving conflict have become less effective in a number of PICTs, and people are turning to formal court processes that can be costly and time consuming. When local land-related grievances are not appropriately addressed, they can end in large-scale conflict. He noted the work of AusAID's Pacific Land Programme, which was established in 2006 to support PICTs wanting to make more land available for economic and social development. Phase one of the programme identified a number of innovative practices for working effectively with customary forms of tenure in the Pacific. The second phase of the programme, which began in 2008, involves an investment of AU \$54 million over four years to assist countries to strengthen their land tenure systems. Work had already commenced in PNG, Solomon Islands and Vanuatu. Discussions were underway between AusAID and SPC on possible co-location of the regional component of AusAID's Pacific Land Programme and LRD's Land Management and Resources Support Centre in Suva to facilitate collaboration. He ended by stressing that effective and sustainable land management mechanisms linking customary land with state-based land administration systems were essential if improved access to customary land for economic purposes and minimisation of local conflicts were to be achieved. He noted that PIFS and SPC were working together to develop a regional initiative under the Pacific Plan to support members in their efforts to improve land management and minimise conflict. (CRGA paper 3.3 is available from the Secretariat on request.)

91. The Chairperson acknowledged the interesting presentation and invited comments from representatives.

92. The representative of PNG noted that the land issue was not one that could be resolved overnight. He commended the Australian government for its support in this area, which raised many difficulties, not just for communities but for families. Court processes were possible but took time, and courts were overwhelmed with the number of cases presented. It was necessary to free up land for economic use, but it was necessary to find ways of recognising traditional systems while introducing innovative and sensitive ways of dealing with historical situations. He commended the collaboration between PIFS and SPC on the issue.

93. The representative of American Samoa said that it was necessary to spend more resources on the root of the problem, which was population growth. This must be tackled directly because while PICTs could increase crop production and fishing effort, the demands of an increasing population would eventually overwhelm these efforts. Therefore, the question of overpopulation of PICTs had to be addressed.

94. The representative of Niue said that his country had a small population and a lot of land, but needed to look at how to make the land productive again. Previous 'slash and burn' practices, and now the use of bulldozers to clear land, had impacted on soil productivity. In Niue, land could be leased for economic activity but could not be sold.

95. The Director of LRD thanked representatives for their encouraging comments, noting that SPC recognised the sensitivity of land issues. He said that the LRD would be using participatory strategies to complement consultation in PICTs. LRD also wanted to strengthen the storage of knowledge and information on land and make it accessible to all stakeholders. In relation to the comment from the representative of Niue on the productivity of land, he said LRD was working on sustainable land use practices. Sustainable land use and sustainable management were closely linked. He said the next step in developing the regional initiative on land use practices involved sending a mission to three PICTs to consult with all stakeholders on formulating a project document to be presented to a consultative meeting. SPC was working with development partners to obtain the resources needed to take the initiative forward.

DECISIONS

96. CRGA:

- i. noted the decision of Pacific Islands Forum Leaders to prioritise land management and conflict minimisation in the Pacific Plan;
- ii. noted the findings of the study entitled ‘Making land work’ and the assistance that Australia planned to provide to support this initiative in the region;
- iii. endorsed the promotion by SPC’s Land Resources Division of land zoning and mapping, economic analyses of land use practices and community-based consultation processes as tools for sustainable development and management of land resources for economic growth in PICTs; and
- iv. endorsed the joint development by SPC and the Pacific Islands Forum Secretariat – with the support of national, regional and international partners – of a regional initiative on land management and conflict minimisation for economic and social development to be implemented by SPC, specifically by its Land Management and Resources Support Team.

AGENDA ITEM 3.4 — REGIONAL MDG MONITORING SUPPORT FRAMEWORK FOR PICTS

97. The Manager of SPC’s Statistics and Demography Programme noted that many of SPC’s members are party to the international community’s Millennium Declaration (2000), which sets out eight Millennium Development Goals (MDGs) to be achieved by 2015. However, he said that halfway through this 15-year period, many PICTs were lagging behind in efforts to achieve the goals. Numerous development partners were working with PICTs to monitor and report achievements against the MDG indicators, but there was no single, coordinated framework to enable PICTs and stakeholders to monitor progress accurately and pinpoint areas where PICTs needed more action and support. Developing a coordinated system for measuring, monitoring and reporting progress against the MDG indicators was an important priority for SPC and was also an integral part of Pacific Plan objective 12.4. Even data that should be routinely available, for example, on school attendance, was patchy and PICTs tended to rely too heavily on survey data that could be years out of date. Another problem was that while some Pacific data were available, they were often not picked up by international systems reporting on global progress towards achieving the MDGs. To resolve these issues, the Secretariat proposed to establish a ‘Regional MDG Monitoring Support Framework for PICTs’ with involvement of all key stakeholders and member PICTs. The framework would complement work jointly undertaken by UN technical agencies through UNDAF (United Nations Development Assistance Framework) and the UNDP Pacific Centre. (CRGA paper 3.4 is available from the Secretariat on request.)

98. The Chairman thanked the Manager of the Statistics and Demography Programme for his presentation and invited representatives to comment.

99. The representative of Australia said that for Australia, good reliable data were essential when working with development partners. Australia was discussing the best way to support efforts in this area. The focus was not just on getting data for its own sake but also on ensuring sustainable capacity in PICTs for data collection and analysis. She noted that SPC’s work complemented that of UNDAF and UNDP. She also said that SPC needed to overcome obstacles to make sure that data available for the Pacific were reported in the international arena.

100. The representative of France said that PICTs had to cope with a heavy burden of reporting that had to be reconciled with the limited capacity of national statistics offices (NSOs).

101. The representative of USA expressed appreciation for SPC’s work in this area, which was essential to monitoring progress. However, she noted that a clarification was needed: USA had endorsed the MDGs but had not endorsed the targets and indicators set for achieving the goals.

102. The representative of Samoa said that the MDGs were integrated in Samoa's sustainable development plans and good progress had been made to achieving the goals. Its current plan for 2008–2012 included an overview of development needs, goals and strategies with targets that were realistically measurable and allowed monitoring of progress on the MDGs. Nevertheless, Samoa supported the proposed framework, which would complement its own efforts.

103. The Director-General noted that the MDGs had been endorsed by SPC members and formed a benchmark for some Pacific Plan objectives. The MDG goals and targets were in fact specifically mentioned in the SPC Corporate Plan 2007–2012, which was endorsed by Conference.

DECISIONS

104. CRGA:

- i. endorsed the Secretariat's proposal to establish a regional MDG monitoring support framework for PICTs;
- ii. supported the consultation and development plan proposed by the Secretariat for establishing the framework over the next 12 months; and
- iii. requested development partners to support the implementation of the proposed MDG monitoring support framework for PICTs.

AGENDA ITEM 3.5 — SMALL ISLAND STATES AND TERRITORIES SHIPPING AND COMMODITY MAPPING

105. The Manager of the Regional Maritime Programme (RMP) said that SPC is addressing the shipping needs of small island states and territories (SIS) using three mechanisms: training, assistance and studies. He outlined the commercial ship management training provided by RMP, and noted that in the 12 months to July 2008, 123 personnel were trained or participated in various maritime meetings, secondments, courses, seminars and workshops facilitated by RMP. RMP provided assistance to SIS maritime administrations and to shipping company management, and had introduced a business excellence framework and maritime achiever awards. He said that a current study focused on the viability of a purpose-built feeder service ship, which was the preferred option of SIS ministers. A new ship would be purchased with donor assistance, and freight rate reductions of 39 per cent (long-term) to 48 per cent (short-term) between Suva and various SIS could be expected. The study report would be finalised by December 2008. SIS leaders had also directed SPC to continue assisting SIS through a study of regional shipping service agreements; a hub ports study involving the development of hub ports in Kiribati, RMI, Solomon Islands and PNG; and a shipping commodity study, looking at improving intra-regional sea trade among PICTs. RMP is seeking funding to complete all of these studies. He noted that if adequate funding could be obtained, RMP could also expand its advisory services to SIS shipping companies with the establishment of a dedicated SIS Ship Management Unit within RMP. The provision of high-quality advice on shipping company management and operation to SIS would promote more efficient shipping services, particularly on domestic routes. He stressed that effective use of professional expertise was necessary to improve the ability of key personnel in the shipping sector to manage services and make viable commercial decisions. (CRGA paper 3.5 is available from the Secretariat on request.)

106. The Chairperson thanked the RMP Manager for his presentation and invited participants to comment.

107. The representative of New Zealand asked how the commodity mapping study fitted with Forum leaders' expectations for SIS shipping services. He also asked about the level of demand for SIS shipping services, saying that this information would be useful in deciding on the proposed strategies.

108. The representative of Marshall Islands thanked SPC for its focus on SIS needs. He said the issue of SIS shipping was a perennial one and Marshall Islands appreciated RMP's efforts to coordinate work in this

area. He acknowledged RMP's collaboration with PIFS and work with the Pacific Forum Line, saying it demonstrated a willingness to think outside the box to find solutions to the problem.

109. The representative of France said his delegation wanted to know the financial implications of setting up the proposed SIS Ship Management Unit. To avoid adding long-term costs to SPC's budget, the use of external services should be considered in this regard.

110. The representative of Niue requested SPC's assistance in supporting Niue's shipping needs. Shipping was Niue's lifeline, but the situation was not bright with the current provider pulling out of the route. He looked forward to SPC's assistance.

111. The representative of Nauru sought clarification of the Forum leaders' decisions and noted that funding was needed for the immediate option of using a Kiribati feeder service.

112. The representative of Samoa asked what factors were taken into account in deciding on which ports were suitable for hub ports and asked if Apia port could also be considered for a hub port. Having several hub ports would avoid disruption due to events such as political instability.

113. The representative of PNG said there was merit in Samoa's view. He noted that the paper made no mention of the costs/benefits of using a distant PNG port as a hub port.

114. The representative of Wallis and Futuna asked if SPC had been approached by providers of shipping services. He asked if SPC could play a mediator role in obtaining shipping services, similar to its role in facilitating the SPIN (South Pacific Islands Network) project.

115. The Director-General noted that the commodity study would help identify demand for shipping services. There had been no thorough analysis of import/export movement in the region, especially the movement of commodities such as building supplies between PICTs. The study could identify potential new routes, like the new route between Tuvalu and Rotuma. If routes seemed likely to be profitable, the private sector might engage, but otherwise the information could be used in commissioning a purpose-built ship.

116. The RMP Manager said SIS shipping services were very expensive and ad hoc and demand was low, so private operators were not interested in many routes. The commodity study could help identify cheaper shipping options for SIS, which paid a high premium for services – up to 50 per cent more per container in some instances. Hub ports would be best situated in PICTs producing exportable commodities.

117. The representative of France raised the question of funding and asked if efficiencies could be gained in training people in ship operation.

DECISIONS

118. CRGA:

- i. noted the direction, progress and nature of SPC support for small island states and territories (SIS), and the assistance, advice and training provided by RMP to SIS maritime administrations, shipping companies and maritime personnel, and noted the request by SIS for SPC's assistance in helping to resolve issues relating to shipping services;
- ii. supported the review of feeder shipping services and commodity mapping in PICTs and acknowledged that PICTs need to work as subregions to improve SIS shipping services and increase intra-regional trade;
- iii. acknowledged with appreciation the offer from Kiribati to commence a limited service to Tuvalu and Nauru using Kiribati Shipping Services Ltd vessels, and supported the facilitation by SPC of a meeting to resolve issues relating to the commencement of this service, subject to the necessary funding being secured;

- iv. noted the need for training in commercial ship management in SIS and supported the delivery of risk-free simulation training by RMP; and
- v. encouraged additional financial support from donor partners for the establishment of an SIS Ship Management Unit within RMP to enable capacity supplementation, delivery of technical advice and increased support for shipping management services.

AGENDA ITEM 3.6 — PUBLIC HEALTH – CHALLENGES AND DIRECTIONS

119. The SRD Director noted that improving public health is central to the development of a healthy and sustainable Pacific region, and to the attainment of the MDGs by 2015 and the vision of Healthy Islands put forward by Pacific Health Ministers in 1995. He said PICTs currently bear a ‘triple burden of disease’, comprising high levels of communicable diseases, an increasingly severe burden of NCDs, and emerging risks from new diseases and changes in social and physical environments. In addition, climate change could have major consequences for food security, child health, and the incidence of waterborne and vector-borne diseases. He stressed that the real determinants of health were largely outside the health sector. Good nutrition, education, water, sanitation and housing, freedom from poverty and a good quality physical environment were basic requirements for a healthy population. It was therefore necessary to adopt a ‘whole of government approach’ to effectively achieve good health outcomes. He said that solutions to the vast majority of health challenges existed outside the health sector and disregard of this basic fact would continue to undermine whatever investment went directly into health. The 5th Conference of the Pacific Community and the 38th Pacific Forum leaders’ meeting approved the development of a ‘Framework of Priorities for Health in the Pacific’. He concluded by noting that the Secretariat’s Public Health Programme is being restructured and a new strategic plan (2009–2013) is being developed to achieve improved health outcomes. (CRGA paper 3.6 is available from the Secretariat on request.)

DECISIONS

120. CRGA:

- i. noted the urgent need to address the ‘triple burden of disease’ in all PICTs;
- ii. further noted that many of the solutions to better health outcomes exist outside the health sector;
- iii. committed to advocating, at national government level, for a broad-based approach to health that involves all the sectors that impact on health; and
- iv. supported the development of a ‘Framework of Priorities for Health in the Pacific’.

AGENDA ITEM 3.7 — REACHING OUT TO RURAL AND REMOTE COMMUNITIES THROUGH THE PACIFIC PLAN DIGITAL STRATEGY

121. The Director-General updated CRGA on SPC’s work in implementing the digital strategy. He said SPC was involved in three technological areas: the Pacific Rural Internet Connectivity System (PACRICS), the Oceania One Laptop Per Child (OLPC) initiative, and the South Pacific Information Network (SPIN), which is based on a new east-west submarine cable. He said that the digital strategy is a high priority of the Pacific Plan and that excellent progress had been achieved. In particular, he acknowledged funding of AUD 2 million from Australia in 2007, which enabled the acquisition of a dedicated Pacific hub from the GE 23 satellite for the lifetime of the satellite; financed 16 pilot sites in 13 PICTs; and will cover bandwidth costs for up to 100 ‘public good’ (subsidised) sites until 31 December 2009, after which PICTs will pick up the cost for their own bandwidth. The Director-General gave an example of the impact of PACRICS in a rural area of Solomon Islands, where one satellite terminal using a repeater installed on a high point provides connectivity to nine schools, a health clinic, a resort, six small businesses, and 16 surrounding villages. PACRICS had also provided the communication backbone for the 2008 Forum leaders’ meeting in Niue. He said PACRICS has achieved exciting milestones in extending real-time communication to communities that

only months ago had nothing. Significantly, its success has resulted in breakthroughs in speeding up policy and regulatory reforms at the national level. In relation to the OLPC initiative, the Director-General noted that following the Forum leaders' 2007 request that SPC and PIFS work with the education sector in PICTs to pilot OLPCs as an educational tool, SPC had secured a gift of 5,000 OLPC units (worth approximately USD 1.1 million) from OLPC, Boston, for a Pacific-wide pilot project. He said this donation would ensure at least one pilot project in each member PICT. Papua New Guinea (PNG) had taken the lead in pushing for a wider roll-out of OLPCs, with plans to spend approximately USD 58 million to provide laptops to at least one-third of all PNG children who did not have the opportunity to attend school. In relation to SPIN, he said the project had been put out to tender and a decision was expected soon. Several PICTs have signed up to SPIN and others have confirmed their interest, but are waiting for the outcome of a World Bank study on Pacific connectivity. He said the major challenge facing the Secretariat was one of resources. To date, with relatively low resources, the Secretariat had demonstrated the value and practicality of these communication technologies in a range of communities and settings. Now, for the people in all member PICTs to benefit, projects had to go beyond the pilot phase and this required investment by PICTs in the technologies that had been made available. (The full text of this presentation is available from the Secretariat as CRGA 38 Paper 3.7.)

122. The representative from Niue, Mr Richard Hipa, presented an overview of Niue's ICT strategy and outlined the benefits of the digital strategy's implementation on Niue from the point of view of a partner country. He said the strategy identified ICT as a key tool in Niue's economic development and described his government's commitment to investing in ICT technology. Niue had been the first PICT to sign up to the SPIN project and also the first to achieve 100 per cent PACRICS coverage. He said that the focus was on using ICT to support education, tele-health, and government communication, including during natural disasters. The advent of ICT also brought concerns about the way it could affect society and behaviour – for example, some children were taking their laptops to church – but these concerns were outweighed by the obvious benefits. He acknowledged the donor support that Niue had received in implementing its ICT strategy.

123. The representative of Tonga provided an update of ICT development in Tonga, which was the first Pacific Island country to introduce competition in telecommunications. As a result, there were currently two providers, and tariffs had decreased. The Department of Communication was monitoring the situation to ensure that healthy competition was maintained for the benefit of the population. He said Tonga supported the implementation of the digital strategy approved by leaders.

124. The representative of Samoa commended SPC for its efforts and initiatives to improve connectivity under the digital strategy. She acknowledged the value of SPC's advisory role in SPIN and stated that her government had supported the initiative in principle from its beginning, as it was a crucial development for the region, but had not been able to commit to a deadline because of outstanding concerns about the agreement and also because it was waiting for the results of the World Bank study. She said Samoa was close to implementing its first PACRICS site and OLPC pilot site and also noted that Samoa had nationwide communication coverage – the cost of GSM mobile communication had gone down due to competition.

125. The representative of New Zealand welcomed the progress made in implementing the digital strategy and supported it. New Zealand had some ongoing concerns in relation to the high costs of OLPC versus its educational benefits, and this needed to be monitored further. Another vital area for consideration was the regulatory framework. New Zealand had concerns in relation to possible risks of child exploitation and pornography with the availability of internet access for children and welcomed the adoption of preventive measures and strategies.

126. The representative of Marshall Islands said although Marshall Islands was not party to SPIN, it supported the initiatives of the Secretariat in the spirit of regional collaboration.

127. The representative of FSM noted that implementation of the digital strategy was helping to improve communication and was resulting in economic benefits, such as lower costs for the technology. He looked forward to his country participating in OLPC.

128. The representative of the United States noted the benefits of computers, training and access to the Internet, particularly for children. She expressed concerns in relation to the regulatory framework and the integration of OLPC in the education system. While the United States understood the benefits of the Internet, it was not in a position to commit to a wider roll-out of the PACRICS and OLPC initiatives in the US territories.

129. The representative of Nauru acknowledged the advantages of the PACRICS project and hoped that his country would be able to benefit from wider Internet connectivity.

130. The representative of Solomon Islands pointed out that the PACRICS pilot site in his country benefited not only isolated schools, health clinics and a resort, but had also had a positive impact on tourism and the economy. It is situated in a world heritage area and PACRICS connectivity had facilitated promotion and protection of this unique area. He said his government was looking forward to working closely with SPC and other partners to implement the strategy.

131. The representative of Australia said she was very interested to hear from countries that were benefitting from PACRICS, as Australia had been supportive of this initiative from the beginning. She shared concerns expressed in relation to the long-term benefits of OLPC. Australia encouraged more focus on the impacts of improved connectivity and access, and less focus on 'last-mile' proprietary interface products. Australia hoped that the ICT Plan meeting to be held in 2009 would address concerns expressed in relation to the educational impact of increased connectivity and regulatory frameworks.

132. The representative of Cook Islands said her government had been slow to take up the OLPC initiative because of cost concerns, but was looking forward to implementing pilot sites in some of the smaller island groups. In relation to concerns expressed during the discussion, she acknowledged that PACRICS was a pilot project and that gaps would be filled after partners had evaluated the results.

133. The representative of Kiribati welcomed the good work done by SPC in implementing the digital strategy. Two schools on Kiribati were benefiting from the OLPC pilot project and Kiribati was interested to hear from other PICTs involved in this project.

134. The Director-General explained that the company setting up the SPIN cable was also waiting for the results of the World Bank study on Pacific connectivity and had indicated its willingness to discuss with countries what could be done if the study identified potentially better deals for countries. However, they were confident of the cost effectiveness of SPIN. Each country had the leeway to adopt its own business model under SPIN, for instance, choosing to lease or own the cable from the backbone to their landing station. He said six countries had now confirmed their participation in SPIN: American Samoa, Niue, Norfolk Island, New Caledonia, French Polynesia, and Wallis and Futuna. With respect to OLPC, he stressed it was up to countries to decide whether to go ahead or not, based on their experience with the pilot sites. SPC is putting evaluation mechanisms in place to assist countries. He noted that for countries with very good communication coverage, PACRICS did not add value to existing systems, but was suitable for countries with limited or expensive access. On the issue of regulatory frameworks, he said it was important to realise that pressure for changes in regulations often came from users themselves, and countries had to consider if current regulations were appropriate to respond to the opportunities that the new technologies presented.

135. The Acting Manager of SPC's ICT Section explained that SPC has addressed the issue of child exploitation and pornography right from the beginning by putting in place a filtering system to block certain sites at the ISP level directly in the hub in Hawaii. This is similar to the content blocker used at SPC and elsewhere and cannot be undone at the local level by users. SPC was also keen to raise awareness of the dangers of the Internet among users by carrying out educational activities in partnership with specialists.

136. The representative of Niue expressed appreciation to AusAID for funding support to fight Internet crime and spam. Niue is trying to attract investors to help fund SPIN, with support from the private sector. Speaking from Niue's experience, he stressed that SPC was not pushing countries to agree to these projects, but was acting as a facilitator, with countries having the final say.

DECISIONS

137. CRGA:

- i. noted the Secretariat's achievements in implementing the digital strategy;
- ii. noted the progress on the SPIN initiative and the positive impact of PACRICS and OLPC in the region to date;
- iii. encouraged continued facilitation of the wider roll-out of the PACRICS and OLPC initiatives; and
- iv. endorsed the Secretariat's efforts to secure additional funding to implement plans to establish further pilot sites for both PACRICS and OLPC in 2009.

AGENDA ITEM 3.8 — JOINT COUNTRY STRATEGIES

138. The Deputy Director-General presented a progress report on SPC's joint country strategies (JCSs) and country profiles. He said that all JCSs planned for this year had been developed, with the exception of the one for Wallis and Futuna, as the mission had to be postponed due to a change in key local administration staff. In 2009, SPC was planning to develop JCSs for American Samoa, French Polynesia, Commonwealth of the Northern Mariana Islands (CNMI), Palau, Samoa and Tonga. He said the lessons learned in developing the first JCSs had helped in developing and refining the current strategies and that the remaining ones would be developed in 2010. Concurrently, the Secretariat had been developing JCS reporting and monitoring tools, in particular country profiles, which provide a snapshot of SPC's assistance to individual PICTs. Profiles were completed this year for all PICTs. In closing he expressed the Secretariat's appreciation of the support and assistance provided by countries in developing the JCSs and country profiles. (The full text of this presentation is available from the Secretariat as CRGA 38 Paper 3.8.)

139. The representative of Cook Islands provided a brief update of progress on the JCS, which was launched in December 2007. She said its activities were directly linked to the country's priorities, and were country-led and supported by SPC. Concrete outcomes included the enactment of a biosecurity bill and the development of a land use policy. Cook Islands was putting its own monitoring and evaluation framework in place to review and refine the JCS and harmonise it with activities carried out by other development partners.

140. The representative of Solomon Islands said that his government accorded priority to development activities in education, health, infrastructure, cultural traditions, agriculture and forestry, national security and relations with development partners. Solomon Islands viewed the development of the JCS as a partnership process with SPC and as a mechanism to maintain and strengthen existing partnerships. He said it mapped out a way for Solomon Islands to be recognised as a respected and committed partner and that his government looked forward to continuing to work closely with SPC and with other regional organisations and partner countries for the benefit of the population.

141. The representative of Niue stated that the JCS supported the priorities identified by his government. Information and data were being collected to progress activities identified under the strategy. The JCS encompassed all sectors and was about to be submitted to Cabinet for endorsement. He suggested that the JCSs should contain a timeline to help monitor progress and identify delays.

142. The representative of Tuvalu registered appreciation for the team visit and the development of a JCS this year, noting in particular the consultative process that was used. As a result, the JCS complemented the Tuvalu National Development Plan.

143. The representative of Tonga looked forward to working with the SPC team next year. The development of the JCS was important and timely as his government was renewing its existing strategic plan and mapping future priorities and needs.

144. The representative of Kiribati commended the efforts made in the development of JCSs so far as they reflected SPC's commitment to work closely with countries on their national priorities and to assist them in implementing these programmes. The JCS had been launched in Kiribati and would soon be submitted to Cabinet for endorsement. Support continued to be provided to various sectors, particularly the health, social and maritime sectors.

145. The representative of Australia commended SPC for the work done. Considering the range of strategies and partners, and the implications for the scarce human and financial resources of island countries such as Solomon Islands, she asked if the advantages of a CROP approach had been considered.

146. The representative of FSM acknowledged receipt of the JCS document and indicated that his government would provide feedback to SPC.

147. The representative of PNG acknowledged the great work of SPC over the years. Referring to country profiles, he stressed that they were valuable tools to demonstrate to countries the direct and concrete benefits they gained from their membership of SPC.

148. The representative of Marshall Islands also expressed thanks for the development of the JCS in 2007. Implementation was ongoing and his government was keen to retain the momentum. RMI appreciated initiatives aimed at meeting development goals. He requested SPC to set up a system or mechanism to monitor progress of JCS implementation in PICTs.

149. The representative of Wallis and Futuna renewed the invitation to visit Wallis and Futuna to develop the JCS programme of activities, saying that the JCS would serve as a frame of reference for common activities for the future. He expressed particular interest in the maritime shipping service proposal.

150. The representative of French Polynesia welcomed the information contained in the country profiles. He stressed that this was critical to ensure that members fully supported SPC as it clearly demonstrated the value of their investment in the organisation. He suggested that SPC might consider adding the source of the funding when referring to specific activities in the profiles. French Polynesia welcomed the development of a JCS in 2010 but had already identified its own development priorities and programmes. However, SPC's assistance through the JCS would complement its own development activities.

151. The representative of Vanuatu asked if country profiles could give some indication of the costs of the activities carried out in each country. He said that his government looked forward to working with SPC on a JCS in 2010.

152. The representative of Samoa welcomed the development of a JCS in 2009 and enquired about the development process.

153. The Deputy Director-General thanked all members for their constructive comments and positive feedback. He extended particular appreciation to national staff and partners who contributed to the development of these JCSs. He explained that the process is fully consultative and that SPC acts as a facilitator with the emphasis on how best to contribute to development priorities identified by members themselves. With respect to country profiles, he acknowledged the value of including timelines for monitoring, indications of costs and the source of funds. The JCS mission to Tokelau had been carried out as a joint mission with other CROP agencies and UN organisations. The lessons learned had been applied to the JCS mission to Solomon Islands that had also been carried out with other CROP agencies and had been more focused.

154. The Director-General confirmed that SPC was happy to work with countries on a monitoring process for JCSs. He welcomed comments on the value of country profiles in demonstrating the direct benefits of belonging to SPC as a regional organisation.

DECISIONS

155. CRGA:

- i. noted progress made in developing joint country strategies (JCSs) and country profiles in 2008;
- ii. welcomed feedback from members on the value of JCSs and country profiles; and
- iii. endorsed the Secretariat's intention to complete JCSs for American Samoa, French Polynesia, CNMI, Palau, Samoa and Tonga in 2009, and to update the country profiles of all PICT members.

**AGENDA ITEM 3.9 — DECENTRALISATION — SPC REGIONAL OFFICE
FOR THE NORTH PACIFIC**

156. The Manager of SPC's North Pacific Regional Office updated CRGA on progress in strengthening the office and providing further services to SPC's northern members. He said that the complete destruction of the first office by a fire in April was a severe setback but had not demoralised staff. He expressed his sincere appreciation to Australia for its assistance with the investigation of the fire. The North Pacific office currently provides services in the following areas: plant protection, sustainable agriculture and forestry, veterinary science, public health, reproductive health, women and gender, youth and culture. Services in HIV/AIDS and STIs, fisheries and statistics will be added in future. Challenges for the office included the need for staff to travel over vast distances in delivering services, which increased costs. One of the benefits of the regional office had been improved coordination of SPC activities in the North Pacific and the ability to look at different ways of delivering services, e.g. CETC training may be made available in the northern subregion, rather than only in Suva. He concluded by expressing gratitude to the host country, FSM, for its strong support and practical assistance, and its commitment to developing the Micronesian Village to accommodate the longer-term office space needs of SPC and other agencies. (The full text of this presentation is available from the Secretariat as CRGA 38 Paper 3.9.)

157. The representative of PNG said the presentation offered a foretaste of the potential benefits of decentralisation. He acknowledged the Secretariat's achievements to date in establishing the North Pacific office and the importance of FSM's support as the host country.

158. The representative of Cook Islands said that while her government did not doubt the benefits of decentralisation, it considered that SPC should examine possible synergies with other CROP agencies in sharing offices and providing services before necessarily establishing new offices.

159. The representative of Palau acknowledged the update on the North Pacific Office and said Palau had benefitted from SPC's decentralisation. However, he stressed that there were differences between the North and South Pacific that affected the way services should be delivered. For example, women had significant status and involvement in decision making in Palau society, so gender development activities in Palau should also focus on the needs of men and youth.

160. The representative of Samoa expressed her government's concern about the rapidity of SPC's expansion. Samoa supported decentralisation of services but this might not always necessitate establishing new offices, especially given the high costs involved. She asked how SPC planned to mobilise resources for other proposed offices.

161. The representative of Kiribati endorsed the comments of the Cook Islands' representative in relation to cooperation with other CROP agencies and possible opportunities for cost sharing.

162. The representative of New Zealand acknowledged the update on plans for the North Pacific Office and said that like other representatives, New Zealand was interested in hearing whether SPC had explored opportunities for synergies and cost sharing with other CROP agencies operating in the North Pacific. New Zealand was also interested in SPC's plans for funding the establishment of new offices.

163. The representative of Solomon Islands expressed appreciation of SPC's decentralisation efforts and said he agreed with the points made by the other representatives on cooperation with CROP agencies. For example, PIFS and FFA were represented in Solomon Islands, so there was scope for cooperation.

164. The representative of PNG pointed out that under the mechanisms of the Pacific Plan there had been discussions between SPC and PIFS on collaboration. Ideas on sharing offices and in-country staff were a 'work in progress'.

165. The representative of FSM thanked SPC for its continued commitment to establishing its office in Pohnpei, despite the fire. He said the FSM govt was looking at helping establish permanent accommodation and residences for staff through the Micronesian Village. He had hoped that a colleague would be present to give a detailed report on plans but a funding shortage had made this impossible. Nevertheless, his government was firmly committed to the development of the village.

166. The Director-General thanked representatives for their support and comments, which had raised several important policy issues. He stressed that the decentralisation of SPC and expansion of its services were both occurring in response to the decisions of Conference and the recommendations of the 2005 corporate review. The North Pacific Office did not represent recent expansion as SPC had been there since 1994. He said the whole ethos behind the development of the North Pacific Office was that it would be a shared office, as the Micronesian Village would also be a shared space. He said that SPC had an understanding with PIFS that 'where they have an office we can share it'. If there was too much work for one officer or one office, SPC would look at other options. For example, SPC had established a national office in Solomon Islands because the time of the PIFS officer there was fully taken up with administering RAMSI related issues and other work. He said that of course SPC took costs into account when considering the establishment of offices, but it should be noted that host governments covered some of these costs. SPC was involved in negotiating this issue with FSM, and with PNG and Solomon Islands, which had both requested that SPC set up offices in their countries. SPC carried out a substantial programme of work in Solomon Islands so that office would be a national one. SPC was present in 17 of 22 PICTs, so new offices did not necessarily mean expansion. Some offices were sector based, field offices depended on project lifetimes, and national offices depended on circumstances. He assured the meeting that thought was given to cooperation with PIFS and other agencies, including UN agencies, where feasible.

DECISIONS

167. CRGA:

- i. noted further progress in implementing the decision by Conference to decentralise SPC's services, through the strengthening and planned expansion of SPC's Regional Office for the North Pacific in Pohnpei;
- ii. thanked the government of FSM and Pohnpei State for their rapid response in providing alternative office space for the Secretariat after the loss of its office in a fire;
- iii. welcomed the intention of the government of FSM and Pohnpei State to explore the possibility of building a 'Micronesian Village' to accommodate the longer-term office space needs of SPC and other agencies in Pohnpei; and
- iv. acknowledged the update from the representative of FSM on the government's plans for the Micronesian Village.

**AGENDA ITEM 3.10 — TAX SITUATION FOR FIJI NATIONALS WORKING
AT SPC IN FIJI**

168. The Director-General said that the issue of taxation of Fiji nationals working for SPC in Fiji was not a new issue for CRGA. Suffice to say that these staff had been exempt from tax based on an agreement with the Fiji government dating from 1964. SPC was the only CROP agency in this situation. However, a decision was made in Fiji's 2007 budget to impose tax. He said that over the last 10 months, the Secretariat had conducted three formal consultations with the Government of Fiji to try and reach an amicable agreement on the taxation issue. In May 2008, the Fiji Government through a cabinet decision '...approved a temporary cease in the charging of income tax on Fiji nationals working for the Secretariat of the Pacific Community based in Fiji with effect from 20th May, 2008. Cabinet has also agreed to defer the re-imposition of income tax on Fiji nationals working for the SPC based in Fiji to 1 January 2009'. The Director-General acknowledged the Government of Fiji for its decision and further requested the government to give positive consideration to the following: retrospectively applying the effective date of the cabinet decision to 1 January 2007, when tax was first imposed; agreeing on a process to negotiate a new host country agreement between Fiji and SPC, with the tax issue being part of these negotiations; agreeing on a mechanism, comprising the Government of Fiji and a subcommittee of CRGA, to work on the tax issue as an integral component of a new host country agreement between Fiji and SPC; agreeing on a time frame of between August 2008 and December 2009 for negotiating a new host country agreement between Fiji and SPC; and, pending the finalisation of the new host country agreement, extending the decision on the temporary cessation of tax to December 31, 2009. After this date, the arrangement agreed on during the negotiation of the new host country agreement would apply, with effect from 1 January 2010. He said he looked forward to further progress on the issue and to an update from the Fiji delegation. (The full text of this presentation is available from the Secretariat as CRGA 38 Paper 3.10.)

169. The representative of Fiji thanked the Director-General for his concise summary of the tax issue. He said that the consultations between SPC and the Fiji government in 2008 had addressed the following issues: an agreement to address the tax issue within the context of a new host country agreement; a time frame for the development and conclusion of the host country agreement; and a mechanism for the involvement of Fiji-based members of the Pacific Community in the discussions relating to the host country agreement. He noted the need for an up-dated agreement with SPC that addressed tax as well as other important issues, but said that under existing tax laws, Fiji nationals working for international organisations other than SPC were obliged to pay tax. He also assured members that Fiji recognised and valued its relationship with SPC, and remained committed to fulfilling all of its responsibilities as a host country of the organisation. He said that the latest proposal put forward by SPC for consideration was being considered in that spirit and that his government would report to the Secretariat as soon as a decision was made.

170. The representative of Niue expressed his hope that the consultations would be productive, and noted the difficulties inherent in modifying tax regimes.

171. The representative of PNG noted that under host country agreements, privileges and immunities may be granted to employees, but all citizens were normally subject to tax laws. He remarked on the difficulties of such negotiations, and indicated his support for the involvement of a CRGA subcommittee in the discussions.

DECISIONS

172. CRGA:

- i. noted the progress made by the Secretariat in implementing the decision by Conference on the subject of taxation of Fiji nationals employed by SPC in Fiji;
- ii. thanked the Government of Fiji for its decision agreeing to a temporary cessation of this taxation;

- iii. supported the proposal put forward by the Director-General to the Interim Minister of Foreign Affairs that a new host country agreement be negotiated between Fiji and SPC, with the tax issue to be part of these negotiations;
- iv. noted the update provided by the Fiji delegation on the Government of Fiji's response to the proposal put forward by the Director-General; and
- v. requested the Secretariat and Government of Fiji to present the final outcome of this matter to CRGA 39 and the 6th Conference of the Pacific Community in Tonga in 2009.

AGENDA ITEM 3.11 — OFFICE AND STAFF ACCOMMODATION, NOUMEA/SUVA

173. The Director of Corporate Services provided an update on SPC's office and housing requirements in Noumea, indicating that with 220 staff present in Noumea, both were under stress. He noted that SPC had sufficient office accommodation through 2009, but needed to examine options for expansion of office space at headquarters, e.g. building offices on land at the current site, or leasing offices at a different location. With respect to housing, he noted that SPC owned 46 dwellings at Receiving, as well as the Director-General's residence; rented 13 dwellings at Mt Coffyn from the New Caledonia government; and rented 46 housing units on the private rental market for internationally recruited staff. The latter rentals cost some 60 per cent more than the loan repayments for the housing units owned by SPC at Receiving. Due to the tight rental market, SPC was facing increasing problems in providing sufficient accommodation for internationally recruited staff. He said SPC had engaged in discussions with New Caledonia on these issues, and had agreed to hold a high level meeting between New Caledonia, the City of Noumea and SPC to find a long-term solution. (The full text of this presentation is available from the Secretariat as CRGA 38 Paper 3.11.)

174. New Caledonia noted that the territory was very pleased to host SPC and agreed that SPC now faced development-led constraints in terms of office and staff accommodation. He outlined the possible options for providing both office space and housing for SPC staff, and emphasised New Caledonia's interest in finding a satisfactory solution, noting that New Caledonia benefited both economically and politically (in terms of its efforts to integrate more fully with the region) from the presence of SPC and its international staff. He noted that the evolution of the status of French armed forces in New Caledonia might cause some accommodation to be returned to the territorial government for its use. He also observed that options involving the building of new housing were affected by the City of Noumea's land planning regulations, and that land for the construction of new dwellings was generally in very short supply within Noumea. He said that the rental fee for the villas on Mt Coffyn had not been increased for many years, and was far below the market rate. He also noted that the government was in the process of renovating these villas, at a cost of 600 million CFP. He observed that some members had expressed concerns regarding decentralisation of programmes, but noted that one possible advantage of such decentralisation was to relieve the demand for office space and housing in Noumea. He said that New Caledonia would be moving forward in the coming weeks to address some technical issues regarding the housing options, and confirmed that a high-level meeting would be held between New Caledonia, the City of Noumea and SPC to seek a solution to SPC's needs.

175. The representative of France said that his country would like the analysis and definition of SPC's housing and office requirements to include the likely impacts of any changes resulting from the RIF process, noting that productivity gains might be achieved in this way. He also asked that any expansion of facilities at SPC headquarters be made only on the basis of firm funding commitments. He asked that great rigour be applied to the analysis of office and housing requirements. He said that in the event of any freeing-up of office space by the French armed services, as mentioned by the representative of New Caledonia, SPC would be notified in accordance with the legal requirements of France.

176. The Deputy Director of Corporate Services outlined the situation for Suva office accommodation, and said that good progress was being made. The Fiji government had supplied two floors in an office building adjacent to the SPC facilities in Nabua. Renovations were underway, and RMP and the Suva-based health programmes would be moving into the new space within the next few months, allowing the regional forestry programme to vacate the space it currently occupies at PIFS headquarters. He also indicated that

construction of the Centre for Pacific Crops and Trees would be completed by May of 2009. He said that the Suva housing market had sufficient housing available to meet staff needs.

177. The representative of Fiji provided an update on the Pacific Village, and assured members that his government remained committed to the project despite the lack of progress over the last year. He noted that Fiji's interim government had committed to maintaining the project as a mid- to long-term priority, and had reaffirmed that the land for the village would be available. He said that from Fiji's perspective, acquisition of the land was a key achievement. He noted that the government took its responsibility to provide adequate accommodation seriously. He said he was pleased that SPC's short and mid-term needs had been met, and that Fiji remained committed to fulfilling its long-term obligations.

178. The representative of Marshall Islands asked if there was a host country agreement between SPC and New Caledonia. He expressed gratitude to the New Caledonian government for its remarks, which indicated a willingness to provide accommodation for staff. He said that there were other important arrangements that should be looked at by New Caledonia, including access to the country by Pacific Community members. Many members still had difficulty in entering New Caledonia to attend meetings. He asked New Caledonia to ensure that access is provided without requiring residents of Marshall Islands, FSM or Palau to travel to the French embassy in Manila to obtain a visa for New Caledonia.

179. The representative of France noted that access to New Caledonia was an important issue for many meeting participants. He said that it was important to explore avenues to simplify the issuance of visas. He said that France has embassies in the Philippines, Fiji, PNG and New Zealand. France is discussing the issue with the High Commissioner and the Ministry of Foreign Affairs to find a process that could facilitate the acquisition of visas.

180. The Director-General said that SPC was seeking to help both host countries and members deal with the issue of visa requirements. He noted that SPC advised all countries of the visa requirements as part of the preparations for any meetings. For visitors from PICTs that did not have resident embassies, SPC had to provide details of passports and flights to the New Caledonia government two weeks in advance, which assisted New Caledonia and France in ensuring visas were ready on arrival. Members with French embassies in their country had to secure visas before their departure. He noted that the office accommodation being provided by Fiji would accommodate 160 people, and would meet SPC's office requirements for a number of years. He confirmed that SPC has a host country agreement with New Caledonia.

DECISIONS

181. CRGA:

- i. noted the progress made by the Secretariat and the host governments of SPC's offices in Noumea and Suva in addressing SPC's office and staff accommodation needs;
- ii. thanked the delegates from New Caledonia and France for the briefings provided on plans to address the issue of staff and office accommodation for SPC in Noumea, and encouraged the Government of New Caledonia to continue to study solutions likely to meet, these housing and office space needs over the long-term, in line with the explanations provided by France and New Caledonia.
- iii. thanked the delegate from Fiji for briefing CRGA on plans to address the short- and long-term office requirements of SPC in Suva, acknowledged the Government of Fiji for providing more office space to meet the immediate needs of SPC's Suva regional office, and welcomed the Government's commitment to pursue the Pacific Village project; and
- iv. noted that office and staff accommodation requirements in other SPC locations will be addressed in the context of individual host country agreements signed between the member and SPC.

AGENDA ITEM 4.1 — PACIFIC PLAN IMPLEMENTATION THREE YEARS ON

182. The Director-General presented an overview of SPC's progress in implementing the Pacific Plan objectives relevant to its work programme. He noted that the Pacific Plan was endorsed by Pacific leaders in 2005, and that its goals were consistent with those of SPC. He observed that the Forum leaders had identified 11 priority areas in their Alofi Communiqué; SPC contributed to all of these, and took a lead role in implementing some of them. He noted the need for greater ownership and commitment to the Pacific Plan at the national, regional and international level, and said that the lack of a specific financing mechanism was a significant issue with respect to some plan objectives. (The full text of this presentation is available from the Secretariat as CRGA 38 Paper 4.1.)

183. The representative of Nauru noted the many plans and strategies that his and all other Pacific Island countries have, and said that it was important to link these initiatives. He inquired whether SPC could also link the Pacific Plan to the joint country strategies, which would help countries monitor their own priorities and activities. With regard to the MDGs, he noted that there was an agreement on the establishment of a monitoring and support framework, and inquired if it was possible to use the same kind of framework for the Corporate Plan or the joint country strategies.

184. The representative of Cook Islands welcomed SPC's efforts to provide more comprehensive reporting on implementation of the Pacific Plan. She noted that the Pacific Plan included good governance as an objective, and sought to encourage implementation of international human rights conventions, treaties and agreements, with members reporting on their achievements in this regard. She asked that SPC prepare for submission to CRGA 39 a policy paper on ratification of human rights-related treaties by members. She also asked SPC to examine the usefulness to members of ratification of those agreements.

185. The representative of Kiribati remarked on the discussions at the recent meeting of SIS officials, which focused on maintenance of the work of the SIS unit, and inquired if CROP agencies could provide resources to help support in-country SIS desk officers, a concept supported by SIS leaders. She noted that much of SPC's core business was integrated with the objectives outlined in the Pacific Plan. She said that SPC played both core and leading roles in Pacific Plan implementation, and inquired about SPC's interest in using SIS desk officers to coordinate Pacific Plan-related activities at country level. She noted that the SIS desk officers could also be useful in other areas, such as coordinating activities with those of other CROP agencies. She voiced support for the proposal by the representative of Cook Islands regarding human rights treaties and conventions.

186. The representative of Solomon Islands noted that his country was implementing the Pacific Plan in a manner that would also help inform stakeholders of national government priorities. Solomon Islands will hold a workshop (with financial support from New Zealand) that will be attended by provincial officers and stakeholders. He asked if SPC could participate in the workshop.

187. The representative of FSM thanked SPC and other CROP agencies for their efforts to implement the Pacific Plan.

188. The representative of Tuvalu noted there were insufficient resources to implement all the Pacific Plan initiatives, and inquired how these could be funded. He noted that the Pacific Plan supplemented the planning efforts of national governments, and encouraged the development of mechanisms within CROP agencies to determine where and how funding could be sourced. He noted the importance of SPC's technical, on-the-ground programmes being well represented in the Pacific Plan process.

189. The representative of Tokelau noted that his country was not yet a member of the Pacific Islands Forum, but said he had confidence in the direction set by other Pacific leaders. He said Tokelau affirmed its support for the Pacific Plan, and acknowledged SPC's efforts to implement the Plan's priorities.

190. The representative of Niue noted that many of the priorities contained in the Pacific Plan had long been worked on by SPC. He said that the joint country strategies had become an integral part of Niue's forward planning and complemented the Pacific Plan and national strategies. He expressed his gratitude for the work that had been done on the Pacific Plan and noted the importance of effective planning in achieving development priorities.

191. The representative of Wallis and Futuna noted the important role played by the Director-General in setting Pacific Plan priorities. He noted the priority themes for the region and observed that PICTs required financial resources and administrative support from SPC and SPREP to make progress on these. He also reflected on the importance of goodwill in making progress. He noted that the South Pacific Information Network (SPIN) had been realised within a short period. He said Wallis and Futuna was benefiting from EDF funding to fund Pacific Plan priorities, and expressed the hope that EDF funding could help other SIS in the future.

192. The representative of New Zealand welcomed the indication that SPC would be strengthening its reporting against the Pacific Plan, and supported the request by the Cook Islands for a report to CRGA 39 regarding human rights conventions and agreements.

193. The representative of Marshall Islands inquired whether projects that would be carried out in Forum member countries as part of the Pacific Plan implementation could also be implemented in SPC member countries that are not Forum members.

194. The Director-General thanked members for their suggestions, which he said would enhance the process that has been put in place to monitor SPC's efforts to implement the Pacific Plan. He welcomed Nauru's suggestion regarding links to the joint country strategies, and observed that SPC would also make links to existing work in Pacific Community members that do not belong to the Forum. He noted the recommendation from Cook Islands regarding human rights conventions. He also said that SPC had discussed the utilisation of SIS desk officers with PIFS, which he hoped would be possible, given that all PICTs have expressed the need for an in-country mechanism to coordinate joint country strategies. He indicated SPC would try to be represented at the Pacific Plan workshop being organised by Solomon Islands. He suggested that doing an audit on work in a single area – such as climate change – might provide members with a more holistic picture of what is being done by SPC and other CROP organisations on their behalf, and could help indicate what further action and funding were needed. He noted that action on the Pacific Plan was likely to come through a combination of new resources, better use of existing resources, and added value created through partnerships.

DECISIONS

195. CRGA:

- i. acknowledged the Secretariat's major contributions to implementation of Pacific Plan priorities since the plan's adoption and noted that, to date, this has been done without seeking additional resources;
- ii. noted the priority areas being targeted by the Secretariat in 2009, which reflect the Pacific Plan priorities outlined in the Alofi and Vava'u Decisions;
- iii. requested development partners to provide the new resources needed to respond effectively to the priorities identified by Forum Leaders for urgent action; and
- iv. requested that the Secretariat prepare and present to CRGA 39 a policy paper detailing the status of ratification, implementation and reporting of human rights-related treaties, conventions, covenants and agreements by members in accordance with initiative 12.5 of the Pacific Plan, and examining the development benefits to members of the ratification of those agreements.

AGENDA ITEM 4.2 — REGIONAL INSTITUTIONAL FRAMEWORK

196. The Director-General said SPC was involved in the Regional Institutional Framework (RIF) process on four fronts during 2008 with discussions being held on rationalisation between SPC and the Forum Fisheries Agency (FFA); SPC and the Pacific Islands Forum Secretariat (PIFS); SPC and the South Pacific Board for Educational Assessment (SPBEA); and SPC and the Pacific Islands Applied Geoscience Commission (SOPAC) and Secretariat of the Pacific Regional Environment Programme (SPREP). At their 2008 meeting in August, Forum leaders called for final implementation plans for the absorption of SOPAC programmes into SPC and SPREP and the merger of SPBEA with SPC to be jointly agreed on by the CEOs of the agencies and presented to the leaders at their 2009 meeting. Excellent progress had been made in implementing these decisions. The CEOs of SPC and SPBEA had agreed on a process for developing an implementation plan for the merger between the two organisations. In relation to SPC's discussions with SPREP and SOPAC, SPC noted that at its recent meeting, the SPREP Council had requested the Director of SPREP to work with the CEOs of SOPAC and SPC to identify appropriate institutional arrangements, commission an independent analysis of the legal, financial, administrative and programme implications of the proposed arrangements, and report on progress on a regular basis. The Secretariat considered it was very important for all three governing bodies of SPC, SOPAC and SPREP to agree on the same basic mechanism for implementing the RIF decisions taken by Forum leaders. On this basis, the Director-General said the Secretariat supported the process proposed in the decision taken by the SPREP Council, noting that the decision mirrored the decisions of the 5th Conference of the Pacific Community in 2007. The Secretariat therefore recommended that CRGA endorse the process approved by the SPREP Council with the exception that regular reporting and consultations and a May 2009 meeting of all organisational focal points would replace the suggested establishment of a joint committee to supervise the RIF process. (CRGA paper 4.2 and an addendum to the paper, giving the SPREP Council decision in full, are available from the Secretariat on request.)

197. The Deputy Director of SPREP said that the SPREP governing council first met in September 2008 to address and discuss the RIF review decisions. He noted that the decision by the SPREP Council referred to by the Director-General articulated a collaborative approach to the process of implementing the decisions of the organisations' governing councils, and would ensure that SPC, SPREP and SOPAC adopted a single mechanism to move forward in implementing the leaders' decisions. He noted that the timeline allowed for plans to be developed by July 2009 for the consideration of the organisations' governing councils in 2009, prior to the 2009 Forum leaders' meeting, and would allow for the incorporation of SOPAC programmes into SPC and/or SPREP by January 2010. He said he anticipated a positive, collaborative process.

198. The SOPAC Director (and SPREP Director-designate) noted that the SOPAC Council agreed in 2007 to take up the challenge posed by the leaders' decision. The SOPAC Council appointed a committee to work on the issue, which agreed to invite the Chairs of SPC's Conference and SPREP's Council to participate in deliberations, along with representatives of France and the United States. She noted the heads of SPREP and SPC, and representatives from PIFS, the United States and France participated in two of the three meetings held by the Committee. She also said that several tri-lateral meetings had been held by the three organisations. She said that there was agreement that the scientific work done by SOPAC should not be compromised, and that the goal was to keep the SOPAC work programme in one location to the maximum extent possible. She said that independent advice on how best to 'operationalise' the leaders' decision was being sought, and said that the SOPAC Council would meet at the end of October to consider the decisions made by the Forum, SPREP and SPC.

199. The representative of PNG commended the heads of the three organisations on their excellent progress, and on taking steps to ensure that the services of the organisations are not diminished in any way. He said PNG was pleased that there was a common roadmap to guide the next steps.

200. The representative of Fiji asked if there were any difference in the roadmaps presented by the representatives of SPREP, SOPAC and the Director-General, and said that as a host country for three of the organisations affected by the RIF process, Fiji asked that it be regularly informed of progress and the processes being implemented, which he noted would impact on Fiji's host country responsibilities, and could affect Fiji nationals working in the organisations. He noted Fiji's longstanding support for the development

of a collaborative process that would allow the maximum involvement of members of all three organisations and give them the opportunity to express their views on how the matter should proceed.

201. The representative of Solomon Islands voiced his support for the request by Fiji, and noted that the RIF-related discussions underway between SPC and FFA could affect Solomon Islands, which is host to FFA. He asked that Solomon Islands be regularly informed on progress.

202. The representative of France acknowledged the complex work carried out by the three organisations. He recalled the principles of the RIF and said that the reforms were an opportunity to find new synergies and efficiency gains. He encouraged the organisations to implement the Forum decision as quickly as possible. He noted that France was not a member of SOPAC, and said France could not accept a policy of 'same real' if SOPAC was merged within SPC.

203. The representative of the United States noted that her country is also not a Forum member, and thus not party to the decision made by the Forum leaders. She said the United States agreed with goals of improving coordination and service delivery between regional organisations, and looked forward to conducting a critical review of any proposed arrangements prior to making a decision on how to proceed.

204. The SOPAC Director noted that the recommendations before SPC correlated very closely to the decision made by SPREP, and were closely aligned with the recommendations that would be made to the SOPAC council. She noted that regular updates would be provided to SOPAC members with Suva-based missions, and said that it was SOPAC's intention to keep everyone regularly informed at every step.

205. The Director-General indicated that the updates mentioned by the SOPAC Director could be provided jointly with SPC, thereby ensuring more effective coordination and collaboration. He also indicated that regular updates would be provided to Solomon Islands on the RIF-related discussions underway between SPC and FFA.

DECISIONS

206. CRGA:

- i. noted the excellent progress achieved during 2008 in responding to the Regional Institutional Framework (RIF) review and decisions related to rationalising the activities of regional organisations;
- ii. noted that the CEOs of SPC and SPBEA have agreed on a process for developing an implementation plan for the merger between the two organisations;
- iii. endorsed and adopted the approach agreed on by the SPREP meeting with regard to the RIF process; and
- iv. directed the Director-General to implement the decision of CRGA 38 as set out in Annex 3 of the addendum to CRGA paper 4.2 (see below).

Addendum – Decision by CRGA 38 on the Regional Institutional Framework (RIF)

1. At its 38th meeting held in Noumea, New Caledonia, from 13 to 16 October 2008:
 - recalling the decision made by the 5th Conference of the Pacific Community on the RIF in Apia in November 2007,
 - noting the decision by the SPREP Meeting in 2008 on the RIF,
 - wishing to establish one single mechanism between SPC, SPREP and SOPAC to respond to the RIF review and PIF Leaders' decision on regional institutional arrangements, and

- noting that the SOPAC Governing Council will meet after CRGA,
2. CRGA:
 - a. endorsed the process contained in the SPREP decision,
 - b. added three more parameters to the analysis proposed in the SPREP decision, including two that were approved by the 5th Conference of the Pacific Community in Apia in 2007.
 3. CRGA also:
 - a. **directed**, the Director-General of SPC to engage collaboratively with the CEOs of SOPAC and SPREP immediately following the 2008 SOPAC Council Meeting to determine and jointly identify the new proposed institutional arrangement based on:
 - i. synergies and linkages between programs
 - ii. optimising service delivery
 - iii. organisational capabilities
 - iv. maintaining the integrity of applied science and technical services
 - v. transparency and timeliness with respect to the process, and effective involvement of stakeholders
 - vi. cost-effectiveness, and
 - vii. analysis of the core function of each SOPAC programme to assess whether it is primarily (a) an environmental programme, or (b) an economic development programme.
 - b. **directed** the Director-General of SPC, in collaboration with the CEOs of SOPAC and SPREP, to jointly commission an independent analysis of the legal, financial, administrative, and programmatic implications of the proposed new institutional arrangements;
 - c. **directed** the Director General of SPC to propose to the other CEOs that the proposed institutional arrangements and analysis of implications are circulated to all member focal points of SPREP, SPC and SOPAC with an invitation for a representative from each member country to attend a meeting of all countries and territories for consideration by May 2009;
 - d. **directed** subject to the guidance of the above-referenced meeting, the Director-General of SPC to work collaboratively to finalise and jointly recommend new institutional arrangements and implementation plans, to be provided to members by July 2009, for consideration and decisions by their respective Governing Bodies in 2009;
 - e. **agreed** that the 39th meeting of CRGA and the 6th Conference of the Pacific Community in 2009 will consider the institutional arrangements and implementation plan recommended by the three CEOs before the next Pacific Islands Forum Leaders' meeting in 2009;
 - f. **directed** the Director-General of SPC to propose to the other CEOs that a joint quarterly update on progress be provided and to seek and share the views of, and give due consideration to, all members of SPREP, SPC and SOPAC;
 - g. **noted** the instruction by the SPREP Council to the Director of SPREP in his deliberations on the new institutional arrangements to take account of the ICR recommendations and implementation; and
 - h. **agreed** that an independent external consultancy would be commissioned, if necessary, to assist the three CEOs to achieve the objective of paragraph 3 (a).

4. To try and ensure the three governing bodies and their respective CEOs work together using one mechanism, CRGA requested the Chairperson of CRGA 38 to write to the respective Chairpersons of the SPREP Council and the SOPAC Council to inform them that CRGA had endorsed the process contained in the SPREP decision as outlined above.

AGENDA ITEM 4.3 — AUSTRALIA/NEW ZEALAND JOINT REVIEW

207. The Deputy Director-General informed CRGA of a current review of the assistance that Australia and New Zealand (ANZ) provide to Pacific regional organisations (PROs). The review aims to examine ANZ funding arrangements to PROs, assess how they impact on the capacity of PROs to achieve their goals, and make recommendations on future ANZ support. The review is not intended as a comprehensive assessment of PRO performance. The review team has had constructive discussions with the Secretariat. The report has not yet been made available, but the Secretariat understands that the team has been making good progress. The Secretariat is keeping CRGA informed of this exercise as ANZ are important strategic partners of SPC and provide vital support to the organisation. This is an important process because the findings of the review will help shape future ANZ support to SPC as current funding agreements come to an end and new ones are developed. (The full text of this presentation is available from the Secretariat as CRGA 38 Paper 4.3.)

208. The representative of New Zealand provided a brief update on the joint ANZ review of approaches to supporting PROs. She reaffirmed that Australia and New Zealand are strong supporters of Pacific regional mechanisms and currently provide support to eight CROP organisations, including SPC. The review is timely as Australia's support to PROs is due to expire at the end of 2008 and many of New Zealand's funding agreements with individual agencies are also due to expire at that time. The review will inform future ANZ support to PROs. The review team has focused on strategic and programme funding issues relating to ANZ's assistance to PROs and the review makes recommendations around four key areas: governance, organisational capacity and capability, regional coherence, and national and regional outcomes and impact. She said that although the review was not yet final, an emerging issue was how to achieve greater clarity around the core business and associated costs of each agency and more certainty around financing. Following finalisation of the report, ANZ will formulate their respective management responses and discuss them with heads of PROs in November this year. ANZ will then seek to negotiate new funding agreements with PROs during 2009 for commencement in 2010; 2009 will be considered a transition and consolidation year in which existing levels of programme funding will be provided.

209. A number of countries expressed appreciation to Australia and New Zealand for their support to the region, particularly to SIS and to SPC, and looked forward to seeing the review report when available. In addition the representative of Solomon Islands also thanked the governments of Australia and New Zealand for their bilateral assistance and commitment to his country. The representative of FSM thanked other important donors, in particular the European Union, France and the United States.

DECISIONS

210. CRGA:

- i. noted that Australia and New Zealand have commissioned a joint review to look at their assistance to the region through Pacific regional organisations;
- ii. expressed appreciation to these two governments for their ongoing and important support to the organisation; and
- iii. further noted the information provided by the representative of New Zealand on the review process and on the time frame for negotiation of new funding agreements with Australia and New Zealand.

AGENDA ITEM 5.1 — STRATEGIC ENGAGEMENT FACILITY

211. The Deputy Director-General reported on progress in establishing the new Strategic Engagement, Policy and Planning Facility. This facility is tasked with providing in-depth support for programmes, assistance to the SPC executive in corporate planning, development and monitoring of joint country strategies (JCSs), and sectoral analyses of national planning. With AusAID funding, this facility is now fully staffed with a team of multi-sectoral senior advisers. Achievements include working with PICTs to finalise JCS and country profiles, production of the Human Resources Development report, development of policy briefs, increased support to programme and corporate planning, and good progress in carrying out a study of the likely major impacts of climate change on fisheries. The facility has enhanced SPC's capacity to undertake more strategic policy analysis and other analytical work to assist PICT decision-makers. The Deputy Director-General concluded by saying that the Secretariat was seeking additional resources to further strengthen the facility, in particular its analytical and policy development capacity. (The full text of this presentation is available from the Secretariat as CRGA 38 Paper 5.1.)

212. The representative of Kiribati welcomed the establishment of the facility and stressed the importance of engaging properly with the PIFS SIS unit. She thanked New Zealand for funding assistance for the SIS desk officer in Kiribati.

DECISIONS

213. CRGA:

- i. noted progress in establishing the Strategic Engagement, Policy and Planning Facility; and
- ii. endorsed the Secretariat's efforts to secure additional resources to further enhance the facility's capacity to support the membership.

AGENDA ITEM 5.2 — CORPORATE SERVICES DIVISION STRATEGIC PLAN

214. The Director of Corporate Services presented a progress report on the development of a strategic plan for SPC's Corporate Services Division for the period 2008–2012. He stressed that this plan is critical to the strategic direction of SPC and to addressing the needs of an already stressed corporate structure tasked with delivering high-quality corporate services to a growing organisation based in multiple locations. He said the pressure would grow with the added demands resulting from the RIF process. Its current resources only allow Corporate Services to provide routine administrative support. It thus requires input of resources to enhance its capability to develop a truly strategic partnership with programmes and development planners. (The full text of this presentation is available from the Secretariat as CRGA 38 Paper 5.2.)

215. Responding to questions from members, the Director of Corporate Services and the Director-General provided the following comments and clarification:

- Input from members on the draft Corporate Services strategic plan was welcome and would be taken on board.
- The proposal presented to members was not a review but a draft strategic plan developed in response to review recommendations. Therefore, members had not been involved in the initial process but their feedback was welcome and would inform the final document.
- Positions in Corporate Services were traditionally funded from the core budget, but additional resources were being sought because of the growth of SPC and the fact that the core budget had been static for a number of years. The budget revision document, which had yet to be discussed by CRGA, included additional positions in Corporate Services funded from within existing budget resources.

- The Secretariat would not be in a position to quantify the additional funds needed until the plan was finalised, and what could be realistically put in place would be very much influenced by available resources.
- The emphasis of the plan was on developing strategic initiatives, rather than on simply providing more administrative functions.
- The 2005 corporate review had directed SPC to ‘professionalise’ its Corporate Services and the development of the draft strategic plan was part of the Secretariat’s efforts to make further progress in this area.

DECISIONS

216. CRGA:

- i. noted and endorsed the direction taken in the development of the Corporate Services strategic plan for 2008–2012; and
- ii. noted the requirement for resource input to enable Corporate Services to enhance its capability to move from providing administrative support to developing strategic and effective partnerships with programmes and development partners.

AGENDA ITEM 5.3 — PROGRESSIVE ORGANISATIONAL REFORMS

217. The Director-General presented the Secretariat’s plans for the organisational reforms required to respond to the growth of the organisation and to upgrade its internal processes to support efficient delivery of services to members. Most of SPC’s growth had been in programmes not in corporate support services, so there was an imbalance between the level of services being delivered and the administrative and technical support needed. He said that the reforms would occur over a 15-month period and will be carried out in two phases, largely so that aspects of the outcomes of the RIF process, including the addition of new programmes to SPC, could be taken into account. The Public Health Programme, currently part of the Social Resources Division, will become a stand-alone division from January 2009. Also in January 2009, the Regional Maritime Programme (RMP) will move from the Marine Resources Division and together with the Transport and Infrastructure programmes being transferred from PIFS, will form the basis for a new division of Transport, Infrastructure, Communication and Economic Development (working title only at this point). This new programme will have pre-divisional status in 2009. Implementation of the new Corporate Services strategic plan will begin in 2009 to provide the support needed by a changing, growing and more decentralised organisation and a new, organisation-wide, corporate information and knowledge management system will be set up. A major part of the reforms will be implementation of a composite grade structure, which is a variant of the current harmonised CROP remuneration structure for all staff recruited internationally. The use of composite grades will open up additional grade levels and will help in resolving problems with having too many staff, including supervisory and more experienced staff, aggregated in one grade. The planned structure follows the guiding principles set out for the harmonised CROP remuneration structure, which leave room for changes needed to accommodate an organisation’s specific requirements. The Director-General noted that the Saipan Conference of the Pacific Community had delegated authority to the SPC CEO to undertake such reform if there were no cost implications, as was the case with the reforms described. However, he said he would appreciate CRGA’s support for the changes. In addition to these changes, initial consultations would be held with Cook Islands and French Polynesia on establishing the fifth (and probably final) regional office of SPC to cover the eastern Pacific. (The full text of this presentation is available from the Secretariat as CRGA 38 Paper 5.3.)

218. The representative of USA thanked the Director-General for his concise report and noted the creative way in which SPC planned to adapt the CROP remuneration structure to its changed needs. She remarked that though the Director-General said there were no cost implications resulting from the proposed changes, one of the paper’s recommendations suggested that additional resources could be needed for the Phase 1 reforms. She asked him to clarify the reason for this request.

219. The Director-General replied that more resources could be required as a result of the transfer of programmes from PIFS to SPC as required by the RIF decisions. The transfer should be cost neutral, but in the event it was not, resources might be needed.

220. The representative of New Zealand commented that the transfer of programmes from PIFS to SPC should be cost neutral given that those programmes were funded already.

DECISIONS

221. CRGA:

- i. noted the Secretariat's planned implementation of a two-phase reform process over the next 15 months;
- ii. noted that Phase 1 reforms are not likely to incur additional costs;
- iii. noted the Secretariat's plans to implement a composite-grade remuneration structure (a variant of the current harmonised CROP remuneration structure) effective from January 2009, in accordance with the provisions of the guiding principles and strategies for CROP harmonisation and remuneration;
- iv. further noted that there were no cost implications resulting from this change in structure in 2009; and
- v. supported the Secretariat's implementation plan for the reforms.

AGENDA ITEM 6 — OBSERVER STATEMENTS

(CRGA heard statements from observers attending the meeting.)

AGENDA ITEM 7.1 — AUDIT REPORT FOR FINANCIAL YEAR 2007

222. The Suva-based Deputy Director of Corporate Services presented an overview of the SPC audit report for financial year 2007. The SPC auditors, Deloitte Touche Tohmatsu of Papua New Guinea, conducted the independent audit of the 2007 SPC financial records in May this year (participants were presented with the detailed audit report). The 2007 financial records for both SPC's overall finances and the Staff Provident Fund received clean audit opinions, making this the 12th successive year that the organisation has received unqualified audit reports. The auditors stated that they continued to have high regard for SPC's accounting standards and reconciliations, but in their management letter expressed concern about some discrepancies in the fixed assets register, and arrears in members' assessed contributions. The problem with the fixed assets register related to items that had been decommissioned but not derecognised from the register. This was not a systems issue, but rather a communication issue between the staff involved and the Secretariat has taken steps to ensure that the register is kept fully up to date. In relation to arrears in assessed contributions, the letter recommended that 'Consideration should be given to the adoption of an accounting policy to provide for all contributions in arrears over a specified period'. However, the Deputy Director said it was the Secretariat's view that the existing policy position endorsed by CRGA 33 that 'arrears are sovereign debt and are therefore recoverable over time and that no provision for debt be made' was still valid. The Secretariat therefore did not support the recommendation, mainly because it could have the opposite effect to that intended and make it even more difficult to collect arrears. He concluded by noting that the Director-General had personally communicated with all members with substantial arrears during the year, with some good outcomes, and expressed the Secretariat's appreciation to all members for their efforts in this regard. (The full text of this presentation is available from the Secretariat as CRGA 38 Paper 7.1.)

223. The representative of Kiribati commended SPC for its clean audit report. She also assured the meeting that her country was planning to forward payment of its 2008 membership contribution, and possibly the 2009 contribution as well, in early 2009.

224. The representative of Pitcairn Islands noted that for SPC to receive a clean audit given the logistics of coordinating the many donors, programmes, and offices was commendable, and said that having 12 consecutive clean audits was very impressive. He noted that Pitcairn had settled its arrears in full.

225. The representative of PNG thanked the Director-General for working collaboratively with him to successfully lobby the government of his country to address its arrears. He noted the usefulness of the country profiles in showing governments the many specific benefits they received from their membership of the Pacific Community.

226. The representative of Niue commended SPC for a very successful audit report, noting that Niue's new government was committed to addressing its outstanding arrears.

227. The representative of Nauru thanked the Director-General and the members for supporting Nauru during its financial crisis, noting that he hoped his country would be able to pay its contribution regularly in the future. He said that the government was considering options for payment of past arrears, noting that Nauru had many other outstanding financial commitments. He also said that Nauru's 2008 payment might not have covered 100% of its commitment due to fluctuations in the Australian dollar between the time the funds were budgeted and the payment was made.

228. The representative of Solomon Islands commended SPC for its clean audit, and thanked the Secretariat for the efforts made on behalf of Solomon Islands. He noted that the joint country strategies and country profiles had been instrumental in impressing on the government's financial officers how important SPC's services are to the country. He noted that a system had been put in place to assure regular future payments of SPC assessed contributions, and said a debt servicing arrangement was also in place to address past arrears.

DECISIONS

229. CRGA:

- i. considered and accepted the 2007 audited financial statements for SPC's overall finances and Staff Provident Fund;
 - ii. noted that clean audit reports were received by SPC for the 12th consecutive year;
 - iii. noted that in regard to the comment in the auditor's management letter on the fixed assets register, that the Secretariat accepted the auditor's recommendations and had begun implementing them;
- and in regards to arrears in some members' assessed contributions,
- iv. endorsed the position of the Secretariat not to provide for arrears in members' assessed contributions, in line with its existing policy;
 - v. noted the Secretariat's efforts to work with relevant members on arrears in contributions; and
 - vi. requested members with outstanding arrears to work with the Secretariat to draw up a schedule for settling the arrears as soon as possible.

AGENDA ITEM 7.2 — APPOINTMENT OF AUDITORS FOR FINANCIAL YEARS 2008–2010

230. The Director of the Corporate Services Division said that under SPC's Financial Regulation 27, the governing body was required to appoint one or more auditors in no way connected with the Secretariat of the Pacific Community to audit the organisation's annual financial records. The auditors are appointed for a period of three years, with an automatic call for tenders at three-year intervals. The Secretariat had called for tenders on 5 August 2008 with a closing date of 30 September 2008 (extended from the original date of 5 September 2008 due to a delay in the circulation of the French version). A selection panel comprising senior SPC staff was appointed to assess the four bids that were received. After completing a thorough analysis of the bids, the panel had decided that the bid by PricewaterhouseCoopers, Noumea, best met the selection criteria. (The full text of this presentation is available from the Secretariat as CRGA 38 Paper 7.2.)

231. CRGA:

- i. approved the Secretariat's recommendation to appoint PricewaterhouseCoopers, Noumea, to audit SPC's accounts for the financial years 2008–2010; and
- ii. thanked Deloitte Touche Tohmatsu of Papua New Guinea for their excellent work in auditing SPC's accounts over the past six years.

AGENDA ITEM 7.3 — FINANCIAL YEAR 2008: CORE BUDGET REVISION

232. The Deputy Director of Corporate Services presented a paper informing CRGA of the mid-year revision of SPC's 2008 core budget. He noted that SPC's financial regulations authorised the Director-General to revise the core budget as and when needed, with the proviso that CRGA was informed. A revision was undertaken in July 2008. The revision was necessitated by increases in income during the year – mainly from higher project management fees, bank interest earnings and favourable exchange rates for some currencies. There had also been net savings in a number of budget lines, with some savings due to delays in filling vacant positions. The budget revision had allowed the Secretariat to address a number of critical programme priorities and also to provide some new positions in the Corporate Services and ICT Sections to enable provision of the higher level of support required by an expanding organisation. He said the revised core budget figures for financial year (FY) 2008 would be reflected in the FY 2009 budget document (CRGA paper 7.6), which also identifies revisions to the non-core budget. (The full text of this presentation is available from the Secretariat as CRGA 38 Paper 7.3.)

233. The representative of France asked for additional details regarding the increased project management levies, which have produced considerable additional income for the organisation.

234. The representative of the United States noted the revised budget for 2008 and expressed concern about the magnitude of the increase, which was more than 5% above the budget agreed on for 2008. She also expressed concern about the creation of additional positions, which she said created significant pressure on the core budget and had long-term financial implications.

235. The representative of French Polynesia requested clarification on two new positions: the coordinator for the Pacific Parliamentary Assembly on Population and Development, and the Suva-based public relations/communications officer.

236. The Director-General indicated that the organisation's financial regulations gave the CEO of the Secretariat the authority to revise the budget when necessary. He noted that the budget increase of more than 5 per cent was due to two factors: fluctuations in the value of the US dollar, and hence the SDR, and increased rates for project management fees (these had been applied only to new projects). He said that in establishing new positions, SPC had looked at how the organisation could better respond to members' requests for services. He noted that only a portion of the extra funds had been allocated to new positions, and assured members that the Secretariat would be able to fund these without placing pressure on the 2008 core budget. He confirmed that spending was in line with the priorities that had been agreed to by members, and assured the meeting that SPC had been careful not to initiate activities that would result in increased future

costs to members. He noted that the Suva-based public relations/communications post, which is not an internationally advertised position, will assist the Noumea-based communications and public relations adviser in information collection. SPC hosts the Secretariat for the Pacific Parliamentary Assembly on Population and Development, which he said was an excellent means of building support on this important issue within member countries and territories. He said the position would be advertised in the near future and would be permanent, contingent on continued funding.

DECISION

237. CRGA noted the revised 2008 core budget.

AGENDA ITEM 7.4 — TRIENNIAL REVIEW OF MEMBERS' ASSESSED CONTRIBUTIONS

238. The Director-General said that the Secretariat was seeking CRGA approval for the reinstatement of the 'same real' budget policy, which, until financial year 2000 provided for annual inflation-related adjustments in members' assessed contributions. Since financial year 2000, there had been only two significant adjustments to the level of individual assessed contributions. The first was approved by the membership for FY 2005 to make up for the withdrawal of the United Kingdom. However, as the US provided only half of the requested adjustment of just over 6 per cent, the level of overall assessed contributions decreased. Then, at CRGA 36, members, with the exception of the US, supported the second adjustment: an increase of 10 per cent in their contributions, resulting in an overall increase of 8.1 per cent. This increase was earmarked for improving direct delivery of services to island members and had not been used to address general resource requirements or to cover costs due to inflation. He said that reinstating the 'same real' budget policy, i.e. inflation adjustment, for assessed contributions would bring SPC into line with other regional organisations, such as the Forum Fisheries Agency and the University of the South Pacific. The Secretariat therefore proposed an inflation-related adjustment of 4 per cent on members assessed contributions for FY 2009, which corresponded to the average inflation rate for 2007/2008 for SPC members. He also noted that the assessed contributions formula (which determines the percentage share for individual members) would normally be due for review at this year's CRGA. The Secretariat recommended, however, that the review be deferred to CRGA 39 and the 6th Conference and that, for FY 2009, the current percentages be maintained. This would allow members to consider the outcome of a number of ongoing regional processes, including implementation of Forum Leaders' decisions on the Regional Institutional Framework, consultation on the host country (and tax) agreement with Fiji Islands, and the review of Australia's and New Zealand's support to regional organisations. The Director-General noted that at the 2009 meetings, the Secretariat would also be presenting a longer-term budget strategy paper supported by multi-year financial forecasts. (The full text of this presentation is available from the Secretariat as CRGA 38 Paper 7.4.)

239. The representative of the United States agreed that the review of the formula for members' contributions would be best discussed at CRGA 39 in 2009, when the committee would also be considering the recommendations stemming from the continuing RIF process, and a long-term budget strategy for SPC. She noted that in general the United States strives for zero nominal growth in the budgets of international organisations, and expects cost increases to be absorbed by cost efficiencies in lower priority activities. She noted that SPC had seen a 24 per cent increase in its budget through other means, and questioned if an additional inflation-related increase was needed, saying that SPC had not demonstrated an urgent need for an increase. She also questioned the need for a return to the 'same real' policy.

240. The representative of Samoa expressed reservations on the reinstatement of the 'same real' policy. She noted that a 'same nominal' policy is used by many UN agencies, which serves to keep expenses in check and provides stability in preparing country budgets. She also agreed with the deferral of the discussion on assessed contributions until 2009.

241. The representative of France stated that his country had no objection to deferring the discussion of assessed contributions until 2009. He said that France did not support a return to a 'same real' policy for the reason that the use of an index-linked system could be dangerous due to exchange rate fluctuations, which could not be accurately forecast.

242. The representative of Pitcairn Islands noted that as a small contributor to SPC, Pitcairn accepts with gratitude the contributions by larger countries. He noted that SPC was very efficient when compared to international organisations of a similar stature. This was largely due to its efficient administrative systems, which he noted consumed a commendably small part of the overall budget.

243. The representative of French Polynesia said that his territory did not favour reinstatement of a 'same real' policy, noting that the reasons given in 1999 for abandoning the policy remained valid. He said that among island members, French Polynesia, PNG, Fiji, and New Caledonia had twice increased their contributions in recent years. He said French Polynesia would not object to future increases if these were justified, but could not support a 'same real' policy.

244. The representative of Australia said she supported deferral of the discussion of assessed contributions to 2009. She noted that while recognising the impact of inflation, Australia would not support a 'same real' policy at present. She asked SPC to present an analysis of the issues and present it to CRGA in 2009. She said Australia would be willing to consider an inflation-related adjustment of 4 per cent for 2009, if this could be justified.

245. The Director-General assured the meeting that the Secretariat would perform an analysis of the impacts of inflation in relation to assessed contributions, and present it to CRGA in 2009 as part of a long-term budget strategy.

DECISIONS

246. CRGA:

- i. agreed with the Secretariat's proposal to present a detailed long-term budget strategy to CRGA 39 and the 6th Conference of the Pacific Community in 2009; and
- ii. agreed to deferral of the triennial review of SPC's assessed contribution funding formula to 2009.

AGENDA ITEM 7.5 — CROP HUMAN RESOURCES AND REMUNERATION ISSUES: 2008 MARKET DATA SURVEYS

247. The Director-General said that under a mechanism previously agreed on by CROP governing bodies, the annual tracking of 'market movement data' from three reference markets – Australia and New Zealand (public service sector), and Fiji (all organisations) – provided the basis for the annual assessment of CROP remuneration levels for staff recruited internationally (SRI). At their meeting in July 2008, CROP Heads considered the results of the 2008 market data survey, as well as the market data for Fiji-based staff recruited under local conditions. The results showed that CROP SRI salaries continue to sit well below those of the Australian and New Zealand public service sector markets and the average of the three markets, but above that of the Fiji all organisations market. Based on the analysis of the movements in the three approved reference markets and applying the Mercer recommended methodology of 'setting the CROP pay-line at the average of the quantum of the remuneration of the three reference markets', CROP SDR-based salaries therefore needed to be adjusted by the following percentages to avoid falling any further behind reference market salaries: Grade I, 9.5%; Grade J, 14.0%; Grade K, 14.0%; Grade L, 14.2%; and Grade M, 15.5%. The Director-General said that CROP Heads agreed that, in light of the continuing decline in the salaries of CROP staff due to the weak SDR, and the resulting difficulties in attracting and retaining qualified and experienced staff, they would recommend that their governing bodies approve the implementation of the recommended increase for SRI with effect from 1 January 2009. He noted that the expected increases in local currency salaries in comparison to the SDR-based salaries varied according to country. In Noumea, due

to a reduced cost of living relative to Suva, the net increase in CFP salaries would be significantly less with Grade I at 3.7%; Grade J at 3.9%; Grade K at 4.3%; Grade L at 4.7. %; and Grade M at 6.1%. In Fiji, since the SDR had been relatively stable, increases in FJD salaries and SDR based salaries were similar. With regard to Pohnpei, the weaker US dollar coupled with an increase in the cost of living relative to Suva would result in increases in USD salaries in the order of 24% for I, 27.8% for J and 27.5% for K. The impact of this on the Secretariat's CFP-based budget would, however, be minimal, with the increases being met primarily from savings on staff salaries resulting from the declining SDR. The Director-General noted that even after the full implementation of the recommended increases, the CROP pay-line would still be significantly below that for equivalent positions in both the Australian and New Zealand markets by between 17.8 to 43.9%. In relation to staff recruited under local conditions, he said CROP agencies based in Fiji had commissioned a job-sizing exercise across all four agencies to be conducted by PriceWaterhouseCoopers to standardise their job evaluations and facilitate comparison and standardisation of work and remuneration across the four agencies. The outcome of the evaluation would determine whether or not SPC Suva-based staff recruited under local conditions would receive salary adjustments in 2009. For Noumea-based staff recruited under local conditions, the results of the 2008 New Caledonia market data survey would determine if increases were needed. (The full text of this presentation is available from the Secretariat as CRGA 38 Paper 7.5.)

248. The representative of France stressed the complexity of the current CROP remuneration system, which he said resulted in having salary increases funded by potential exchange rate gains. He suggested that SPC consider revising the existing system and replacing it with one that was easy to understand and not complicated by risks associated with exchange rate fluctuations. He said France did not oppose a possible salary increase, noting the Secretariat's assurance that the increases could be fully funded.

249. The representative of French Polynesia agreed with the position articulated by the representative of France. He noted that he had raised similar concerns regarding CROP salary harmonisation and the SDR-based system at the 2008 SPREP meeting, and that a reversal in US dollar exchange rate trends would bring a very rapid rise in salary costs. He concurred with the need for a full review of the system, saying that salary increases had consequences, and were potentially not sustainable over time. He noted the Secretariat's assurances that the proposed increases were possible based on exchange rate changes and efficiency gains, but asked for a full review of the system.

250. The representative of New Zealand said she supported both the proposed increases and a review of the entire system.

251. The representative of Fiji suggested that some of SPC's difficulties with respect to international recruitment – and specifically the problem of attracting qualified applicants from New Zealand, Australia and similar markets – could be addressed by recruiting more people from within the region.

252. The representative of Niue agreed with the need to review the salary system.

253. The Director-General welcomed suggestions regarding a review of the current salary system, and said this would be incorporated into the upcoming triennial review. He agreed with the need to consider options regarding programme and project funding, suggesting that one option might be for project commitments by donor partners to be made in CFP, to effectively buffer SPC from exchange rate fluctuations. He noted that the concerns raised by members would be addressed through the planned long-term budget strategy. He recalled that at its Canberra meeting in 1997, Conference had directed SPC to increase its efforts to recruit Pacific Island staff and said that the proportion had increased significantly, with Pacific Islanders now accounting for approximately half of all internationally recruited staff. He said that members could help facilitate the hiring of Pacific Island staff by ensuring that individuals were not forced to resign from their country's public service when they took up a position at SPC. Some Pacific Islanders were also reluctant to leave positions in their home country because of a lack of qualified staff to replace them.

DECISIONS

254. CRGA:

- a) In the case of staff recruited internationally:
 - i. approved the payment of the full increases recommended by CROP Heads with effect from 1 January 2009, i.e. Grade I, 9.5%; Grade J, 14.0%; Grade K, 14.0%; Grade L, 14.2%; and Grade M, 15.5%;
 - ii. noted that the resulting net increase in local currency salaries would vary according to location, being lowest in Noumea, and highest in Pohnpei due mostly to the weaker US dollar and increased cost of living there; and
 - iii. noted that the total increase was funded from savings on salary costs resulting from the weak SDR coupled with the lower cost of living in Noumea, and savings due to increased efficiency and other cost reduction measures.
- b) In the case of staff recruited under local conditions:
 - iv. noted that the Suva-based CROP agencies, PIFS, SPBEA, SPC and SOPAC, have jointly commissioned a job-evaluation exercise to standardise their methodology and facilitate comparison and standardisation of similar positions across the four agencies; and
 - v. noted that for SPC Noumea staff, the Secretariat was awaiting the outcome of the 2008 local market study before deciding on a course of action, and that any increases indicated by the Noumea market survey and approved by the Government of New Caledonia for implementation in New Caledonia would be passed on to Noumea-based staff.

AGENDA ITEM 7.6 — FINANCIAL YEAR 2009 BUDGET

255. The Director-General presented the financial year 2009 budget for CRGA's consideration and approval, noting that in line with organisational policy, the Secretariat proposed a balanced budget, with total funds available of 65,790,200 CFP units matching planned expenditure. He said that the budget provided for the continuation of funding for implementation of SPC's joint country strategies, as well as funding for new positions established in the FY 2008 core budget revision to address bottlenecks in the Secretariat's Corporate Services Division and ICT Section, and for some programmatic priority areas including further strengthening of SPC's regional office for the North Pacific. The budget also provided fully for the cost of proposed salary adjustments, which were largely covered by savings on staff salaries resulting from the declining SDR. The Director-General highlighted the challenge faced by the Secretariat with regards to the delay in EDF (European Development Fund) funding. He said that the resulting shortfall in funding would make it difficult to sustain important services in agriculture and fisheries. He also noted the cost implications if income tax was to be applied to Fiji nationals working for SPC in Fiji (see CRGA paper 3.10) and the costs associated with the Regional Institutional Framework process and progressive organisational reforms, and said that some of the issues relating to these reforms would be discussed during the SPC-Australia-New Zealand trilateral consultation on funding later in 2008. The Director-General noted that the format of the budget outlined the strategic objectives, expected outputs and key performance indicators of SPC divisions, programmes and programme support units and linked these with identified budget resources to clearly show how funding was used. He said that a welcome new development for the Secretariat was the growth in direct funding to members, either as grants or funding support for agreed in-country activities or procurement of goods and services, mainly in relation to public health. He also said that Australia, France and New Zealand were providing higher levels of programme funding as part of their annual block grants to help achieve the objectives set by CRGA and Conference. Programme funding had the advantage of providing longer-term funding stability, but despite the move to more programme funding by these three members, SPC programmes continued to rely heavily on project funding. The Director-General said the Secretariat was paying close attention to the current volatility of financial markets and currency fluctuations, which could

affect the 2009 budget. He concluded by expressing his gratitude for the continued confidence shown by development partners through their contributions to SPC's work. (The full text of this presentation is available from the Secretariat as CRGA 38 Paper 7.6.)

256. The representative of the United States supported SPC's efforts to find needed budget resources. She said she appreciated the discussion of the impact of the EU funding shortfall, and reiterated her concerns regarding the recurrent costs associated with the new positions created in the 2008 budget revision. However, she supported the 2009 budget as proposed.

257. The representative of the Marshall Islands expressed his appreciation for SPC's continuing support for its members, and said his country fully supported the budget.

258. The representative of Australia commended the Secretariat on the proposed balanced budget and voiced her support for its approval. She noted Australia would be holding trilateral discussions with SPC and New Zealand in November 2008, and would be discussing possible supplementary funding for the Coastal Fisheries and Regional Maritime Programmes. She emphasised the need to carefully monitor exchange rate fluctuations, particularly in the Australian and New Zealand dollars, as together they provide some 45 per cent of the budget. She noted that the upcoming discussion would also address recent currency movements.

259. The representative of New Zealand thanked SPC for presenting a balanced budget, noted the issue of exchange rate fluctuations, and indicated that some of the support from New Zealand referred to by the Secretariat was still in the final discussion phase.

260. The representative of France reiterated the request that budget documents be presented well in advance of the meeting, and suggested that detailed explanatory notes should accompany the tables. He noted the increase in forecast expenditure and in funds devoted to Social Resources, and the expansion in project management fees to finance core budget activities. He said he appreciated the useful and detailed explanations provided by the Secretariat, in particular the clarification on programme and project management fees and the ways these are charged to donors. He said that some uncertainty existed as a result of implementing the Regional Institutional Framework, and that the budgetary implications of the changes should be clear in the next few years.

261. The representative of New Caledonia also complimented SPC on the clarity of the budget presentation and announced that the territory had agreed to increase its annual voluntary contribution to SPC by 5 million francs to 17 million francs to meet such needs as expansion of translation and interpretation services.

262. The representative of Niue thanked the Secretariat for the budget presentation, and requested that budget documents be prepared and submitted earlier in future.

263. The Director-General noted that a budget addendum had been circulated that provided a revised total budget figure of 65,790,200 CFP units, which included an inadvertently omitted contribution from New Zealand of 1,673,300 CFP units for the Oceanic Fisheries Programme. He also thanked New Caledonia for their comments and said that SPC would commit to having papers ready two weeks in advance of the CRGA meeting in future. He thanked members for their confidence, and staff for their hard work in preparing the budget.

DECISIONS

264. CRGA:

- i. approved the proposed budget for financial year 2009; and
- ii. requested development partners and stakeholders to favourably consider providing bridging funds to sustain into 2009 important activities currently funded by the European Development Fund.

**AGENDA ITEM 8 — THIRTY-NINTH CRGA: VENUE AND MEETING CHAIRPERSON
AND VICE-CHAIRPERSON**

265. CRGA agreed that in accordance with its rules of procedure, the venue for the meeting of CRGA 39 would be Nuku'alofa, Tonga, and that the Chairperson for CRGA would be provided by Australia and the Vice-Chairperson by Cook Islands.

DECISIONS

266. CRGA:

- i. noted that the venue for CRGA 39 and the 6th Conference of the Pacific Community will be Nuku'alofa, Tonga; and
- ii. further noted that the Chairperson for CRGA 39 will be provided by Australia and the Vice-Chairperson by Cook Islands.

(Note: the 39th CRGA and Sixth Conference will be held from 6 to 13 October 2009.)

AGENDA ITEM 9 — OTHER BUSINESS

267. The representative of Marshall Islands proposed that consideration be given to inviting NGOs (non-governmental organisations) to attend CRGA meetings as observers. He noted that several NGOs had expressed an interest, and said that some felt that CRGA's decisions could affect them.

268. In relation to invitations to observers, the representative of French Polynesia noted the special case of the European Union, which is a major donor to SPC. He suggested that an invitation to members of the European Community would be welcomed by them, but said that such invitations should be issued in accordance with the rules of CRGA.

269. The Director-General said some NGOs worked as partners with SPC and were thus in a different category to NGOs that did not have a working relationship with SPC but were interested in attending. He said that partners could simply be invited by SPC, and suggested that the Secretariat could prepare a paper for CRGA 39 examining issues associated with attendance by other NGOs. He noted SPC did invite all its development partners to attend CRGA, but said no EU representative was able to attend this year. He said that those members with special ties to the EU might explore the issue of whether EU rules would allow them to directly provide programme funding, noting the problems SPC faced in 2009 because of the current direct link to EDF funding cycles. He noted that the EU had inquired about acquiring associate member status of SPC, and suggested that members with special connections to the EU could also explore that issue.

270. The representative of PNG asked whether the rules of procedure addressed the issue of inviting other organisations to attend CRGA. If they did not, he agreed that a paper could be prepared outlining options on how NGOs might be accommodated, and said the procedures in place for Forum Secretariat meetings might provide a useful guide. He endorsed the concept of associate membership for the EU, and thanked Australia and New Zealand for their firm support for SPC in what he called 'difficult times'.

271. The Director-General said that a paper on the conditions of associate membership of SPC would be prepared for CRGA 39.

DECISIONS

272. CRGA noted that the Secretariat will:

- i. prepare a policy paper for consideration by CRGA 39 on:
 - a. associate membership of SPC;
 - b. guidelines for non-governmental (NGOs) and civil society organisations (CSOs) that do not have direct links with SPC but would like to attend meetings of SPC's governing body; and

- ii. invite NGOs, CSOs and development partners that work with SPC to attend future CRGA meetings as observers.

AGENDA ITEM 10 — ADOPTION OF REPORT

273. CRGA adopted the decisions contained in the meeting report. CRGA also adopted the report of the proceedings in principle, pending any amendment by members of their own interventions.

AGENDA ITEM 11 — CLOSING

274. The representative of French Polynesia congratulated the Chairperson, Mr Toetasi Fue Tuiteleapaga of American Samoa, on the excellent way in which the meeting had been conducted and on behalf of all members thanked him.

275. The Vice-Chairperson of CRGA, Ms Romaine Kwesius of Australia, who chaired the Drafting Committee, thanked the members of the committee for their work in facilitating the preparation of the meeting report. She also expressed appreciation to the Chairperson of CRGA for his conduct of the meeting and to the Director-General and staff of the Secretariat for their work.

276. The Director-General echoed the comments of the representative of French Polynesia, saying that the meeting had completed the substantial agenda put before it ahead of schedule largely due to the efforts of the Chairperson. He thanked him for his patience and good humour, which had enlivened the meeting and helped to facilitate discussion. The Director-General also expressed gratitude to delegates for their support and thoughtful feedback, members of the drafting committee for their hard work in overseeing the proceedings, development partners, representatives of other regional organisations, observers and SPC staff. He expressed special appreciation to the Deputy Director-General, Richard Mann, who had borne an increased workload since the sad loss of Falani Aukuso.

277. In closing, the Chairperson said that the meeting had been conducted in a spirit of cooperation and thanked members for their active participation, saying that everyone shared in the success of the meeting. He thanked the Director-General and SPC staff for their help and support, and members of his own delegation from American Samoa for assisting him in undertaking the task of chairing the meeting. He concluded the meeting by expressing deep appreciation to the host country, New Caledonia, noting in particular the reception that had been held for CRGA delegates, and asked the representative of American Samoa to say the closing prayer.

LIST OF PARTICIPANTS

Chairperson: Mr Toetasi Fue Tuiteleleapaga
Chief Legal Counsel
Office of the Governor of American Samoa

Vice-Chairperson: Ms Romaine Kwesius
Counsellor
Development Cooperation
AusAID Suva

American Samoa/ Mr Toetasi Fue Tuiteleleapaga
Chief Legal Counsel
Office of the Governor of American Samoa
Pago Pago 96799

Mr Lemanu P. Mauga
Executive Director Property Management Office
Office of the Governor of American Samoa
Pago Pago 96799
Pmauga@asg.as

Mr Motu L. Seui, Jr
Deputy Chief of Staff
Executive Office Building
Office of the Governor of American Samoa
Pago Pago 96799
Motu.seui@americansamoa.gov
Tel (684)733-1952
Fax (684) 633-2269

Australia Ms Romaine Kwesius
Counsellor
Development Cooperation
AusAID Suva

Ms Christine Pahlman
Manager Regional Organisations and Regional Coordination
Pacific Branch
AusAID Canberra

Ms Anita Butler
Consul-General
Australian Consulate-General
B.P. 22
98845 Noumea Cedex

Mr Stephen Bohnen
Deputy Consul-General
Australian Consulate-General
B.P. 22
98845 Noumea Cedex

Cook Islands

Ms Myra Moeka'a
 Director
 Legal Division
 Ministry of Foreign Affairs and Immigration
 P.O. Box 105
 Rarotonga
secfa@foraffairs.gov.ck

Federated States of Micronesia

H.E. Ambassador Samson Pretrick
 Embassy of the Federated States of Micronesia
 Suva, Fiji.

Fiji Islands

Mr Murray Isimeli
 Director Political and Treaties
 Ministry of Foreign Affairs , International Cooperation
 and Civil Aviation
 P.O. Box 2220 Government Building
 Suva
misimeli@govnet.gov.fj
 Tel (679) 3309667/654/651/652

Mr Ray Baleikasavu
 Senior Assistant Secretary
 Ministry of Foreign Affairs, International Cooperation
 and Civil Aviation
 P.O. Box 2220 Government Building
 Suva
rbaleikasavu@govnet.gov.fj
 Tel (679) 3309667/654/651/652

France

Son Excellence M. Jacques Buguet
 Représentant permanent adjoint de la France auprès de la CPS
 Délégation française auprès de la CPS
 B.P. 8043
 98807 Nouméa Cedex

Mme Catherine Blaise
 Assistante du Représentant permanent adjoint de la
 France auprès de la CPS
 Nouméa

France

M. Luc Supera
 Directeur
 Agence française de développement
 Agence régionale de Nouvelle-Calédonie
 B.P. J1
 98849 Nouméa Cedex

M. Dominique Hautbergue
 Directeur Adjoint
 Agence française de développement
 Agence régionale de Nouvelle-Calédonie
 1 rue de Barleux
 BP J1
 98849 Nouméa Cedex

French Polynesia

M. Bruno Peaucellier
 Chef du service des relations internationales
 Gouvernement de la Polynésie française
 Papeete, Tahiti
bruno.peaucellier@presidence.pf

Kiribati

H.E. Reteta Nikuata Rimon
 Kiribati High Commissioner to Fiji
 Kiribati High Commission
 Suva, Fiji.
kiribatihighcom@unwired.com.fj

Marshall Islands

H.E. Mack T. Kaminaga
 Ambassador
 Marshall Islands Embassy
 P.O. Box 2038 GB
 Suva, Fiji
amb.rmisuva@gmail.com

Nauru

Mr Julian Itsimaera
 Director of Regional Affairs
 Department of Foreign Affairs and Trade

New Caledonia

M. Laurent Semavoine
 Responsable
 Cellule de coopération régionale et relations extérieures
 B.P. M2
 98849 Nouméa Cedex
 Email: coopreg@gouv.nc

M. Yves Lafoy
 Chargé de mission pour la coopération scientifique
 et technique
 Cellule de coopération régionale et relations extérieures
 B.P. M2
 98849 Nouméa Cedex

New Caledonia

Mme Elisabeth Gremont
 Collaboratrice
 Cellule de coopération régionale et relations extérieures
 B.P. M2
 98849 Nouméa Cedex
 Email: coopreg@gouv.nc

New Zealand

Ms Deborah Collins
 Team Leader, Pacific Group
 New Zealand Agency for International Development (NZ Aid)
 Private Bag 18-901
 Wellington 5045
deborah.collins@nzaid.govt.nz

Mr Simon Draper
 New Zealand Consul-General
 New Zealand Consulate General
 Noumea

Mr Charles Kingston
 Vice-Consul
 New Zealand Consulate General
 Noumea

Niue

Mr Richard Hipa
 Secretary to Government
 External Affairs Office
 Premier's Department
 P.O. Box 40
 Alofi

Palau

Mr Gustav N. Aitaro
 Director
 Bureau of International Trade & Technical Assistance
 Ministry of State
 Government of the Republic of Palau
 P.O. Box 100
 Ngerulmud, Melekeok State, 96940
 Tel: (680) 767-3682/2509
Gus-aitaro@msn.com

Papua New Guinea

H.E. Peter C.L. Eafeare
 High Commissioner
 PNG High Commission
 18 Rabuka Street
 Nailuva Road
 P.O. Box 2447
 Government Buildings
 Suva, Fiji
peterafeare@yahoo.com.au

Pitcairn

H.E. George Fergusson
Ambassador
Governor of Pitcairn Islands
Wellington, New Zealand
evan@pitcairn.gov.pg

Mr Leslie Jaques
Commissioner of Pitcairn Islands
Level 17, Queen Street
Auckland
leslie@pitcairn.gov.pg

Samoa

Ms Sharon Potoi-Aiafi
Assistant Chief Executive Officer
Ministry of Foreign Affairs and Trade
P.O. Box L 1859
Apia
sharon@mfat.gov.ws

Ms Faamao Ualesi
Senior Foreign Service Officer
Ministry of Foreign Affairs and Trade
P.O. Box L 1859
Apia
faamao@mfat.gov.ws

Solomon Islands

Mr Banabas Anga
Permanent Secretary
Ministry of Foreign Affairs and External Trade
P.O. Box G10
Honiara

Mr John Tuhaika (Jr)
Assistant Secretary
Regional Economic Cooperation Branch
DFA

Tokelau

Mr Kelekolio Kelekolio
Human Resources Adviser
Government of Tokelau
P.O. Box 3298
Apia

Mr Simona Sale
Policy Adviser
s.mei@clear.net.nz

Tonga

Mr Paula Pouvalu Ma'u
 Deputy Secretary
 Prime Minister's Office
 P.O. Box 62
 Nuku'alofa
pmau@pmo.gov.to

Tuvalu

H.E. Tine Leuelu
 High Commissioner
 Tuvalu High Commission
 P.O. Box 1449
 Suva, Fiji.

Ms Manaema Saitala Takashi
 Multilateral and International Affairs Officer
 Department of Foreign Affairs and Labour
 GPO Vaiaku
 Funafuti

United States of America

Ms Aleisha Woodward
 Acting Deputy Director
 Office of Australia, New Zealand, and Pacific Islands Affairs
 EAP/ANP, HST 4312
WoodwardA@state.gov

Mr Joe Murphy
 Regional Environmental Officer
 United States of America Embassy
 Suva, Fiji

Ms Andrea Appell
 Political Officer
 Canberra, Australia

Vanuatu

M. Yvon Basil
 Chef par intérim de la Division Asia/Pacifique
 Département des affaires étrangères
 Port-Vila, Vanuatu
ybasil@vanuatu.gov.vu

Mr Raymond Manuake
 Consul-General
 Consulat general du Vanuatu
 B.P. 2499
 98846 Nouméa Cedex, Nouvelle-Calédonie

Wallis & Futuna

M. Victor Brial
Président de l'Assemblée Territoriale
B.P. 223
Mata'utu

M. Toma Savea
Conseiller territorial
Haatafo
Mu'a
saveatoma@yahoo.fr

M. François Behue
Chargé de mission du Préfet de Wallis et Futuna
Administration supérieure des îles de Wallis et Futuna
B.P. 16
98600 Mata'utu
Mission-adsup@mail.wf

M. Alexis Leleivaï
Chargé de mission de l'Assemblée Territoriale
B.P. 223
Mata'utu

OBSERVERS/OBSERVATEURS

ACIAR

M. Thierry Mennesson
Directeur général
Institut agronomique néo-calédonien
B.P. 73
98890 Païta
Nouméa, Nouvelle-Calédonie

**Pacific Islands Forum Secretariat
Secrétariat du Forum**

Ms Stephanie Jones
Director
Corporate Services
Pacific Islands Forum Secretariat
Private Mail Bag
Suva, Fiji
sg@forumsec.org.fj

**Secretariat of the Pacific Regional
Environment Programme (SPREP)/
Secrétariat général du Programme régional
océanien de l'environnement (PROE)**

Mr Kosi Latu
Deputy Director
Secretariat of the Pacific Regional Environment
Programme (SPREP)
P.O. Box 240
Apia, Samoa

**Pacific Islands Applied Geoscience
Commission (SOPAC)/
Commission océanienne de recherches
géoscientifiques appliquées**

Ms Cristelle Pratt
Director
Pacific Islands Applied Geoscience Commission
Private Mail Bag
GPO Suva, Fiji

<p>PRINCIPAL OFFICERS OF THE SECRETARIAT OF THE PACIFIC COMMUNITY</p> <p><i>FONCTIONNAIRES PRINCIPAUX DU SECRÉTARIAT GÉNÉRAL DE LA COMMUNAUTÉ DU PACIFIQUE</i></p>

Director-General

Dr Jimmie Rodgers

Deputy Director-General (Nouméa)

Mr Richard Mann

SPC BUDGET - YEAR 2009

(amounts shown in CFP units: 1 unit = 100 CFP Francs)

	Budget 2009		
	Core	Non-Core	Total
<u>INCOME</u>	11 029 100	53 087 800	64 116 900
<u>EXPENDITURE</u>			
ADMINISTRATION			
Director-General	632 700	-	632 700
Corporate Services	3 134 300	-	3 134 300
Administration	3 767 000	-	3 767 000
PROGRAMME MANAGEMENT/SUPPORT			
Deputy Director-General (Noumea)	312 900		312 900
Deputy Director-General (Suva)	356 600		356 600
Director of Marine Resources	310 000		310 000
Director of Land Resources	245 000	307 200	552 200
Director of Social Resources	197 100		197 100
Pohnpei Regional Office	275 200		275 200
Planning Unit	-	662 300	662 300
Publications Section	864 600		864 600
Information Communication Technology	839 600	427 900	1 267 500
Translation & Interpretation Section	1 117 200	-	1 117 200
Library	262 800	-	262 800
Programme Management / Support	4 781 000	1 397 400	6 178 400
SOCIAL RESOURCES			
Public Health	317 500	27 379 400	27 696 900
Statistics - Demography	285 700	2 478 300	2 764 000
Pacific Regional Rights Resource Team (RRRT)		1 454 500	1 454 500
Human Development	812 000	4 122 800	4 934 800
Regional Media Centre	324 100	140 100	464 200
Social Resources	1 739 300	35 575 100	37 314 400
MARINE RESOURCES			
Coastal Fisheries	148 100	3 200 500	3 348 600
Oceanic Fisheries	150 600	5 004 500	5 155 100
Maritime	121 800	1 638 200	1 760 000
Marine Resources	420 500	9 843 200	10 263 700
LAND RESOURCES	321 300	6 272 100	6 593 400
COMBINED TOTAL	11 029 100	53 087 800	64 116 900