



**REPORT OF THE FORTY-SECOND MEETING OF THE  
COMMITTEE OF REPRESENTATIVES OF GOVERNMENTS AND ADMINISTRATIONS  
(Noumea, New Caledonia, 12–16 November 2012)**

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## DECISIONS OF CRGA 42

The 42<sup>nd</sup> meeting of the Committee of Representatives of Governments and Administrations (CRGA) opened on 12 November 2012 at SPC headquarters in Noumea, New Caledonia. The meeting was chaired by France with Kiribati as Vice-Chair and attended by representatives of the following members of the Pacific Community – American Samoa, Australia, Cook Islands, Federated States of Micronesia, Fiji, France, French Polynesia, Kiribati, Marshall Islands, Nauru, New Caledonia, New Zealand, Niue, Northern Mariana Islands, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu, Vanuatu, United States of America and Wallis and Futuna – and by observers from the European Union, Pacific Islands Forum Secretariat, Pacific Leadership Program, Secretariat of the Pacific Regional Environment Programme and University of the South Pacific.

### AGENDA ITEM 2 – DIRECTOR-GENERAL’S REPORT SERIES

#### **AGENDA ITEM 2.1 – DIRECTOR-GENERAL’S 2012 OVERVIEW REPORT and AGENDA ITEM 2.2 – HIGHLIGHTS OF THE 2012 WORK PROGRAMME**

The Director-General reported on the status of implementation of the key decisions taken by CRGA 41 and the 7th Conference of the Pacific Community in 2011 and described selected highlights of the 2012 work programme, noting that the independent external review (IER) provided a platform for reforms that will further strengthen SPC’s foundation for the future and its role in the Pacific development agenda. The secretariat is working towards implementing a comprehensive monitoring and evaluation framework that will enable SPC to provide detailed information on the results of its services to members and their contribution to national and regional development outcomes. The meeting discussed the value of the joint country strategy approach in aligning programmes to national priorities and contributing to achieving development outcomes.

#### **CRGA:**

- i. acknowledged the secretariat’s achievement of the key milestones set by CRGA 41 and the 7th Conference of the Pacific Community for SPC in 2012;
- ii. noted the work and achievements of the Strategic Engagement, Policy and Planning Facility;
- iii. noted the work and achievements of the Operations and Management Division;
- iv. welcomed the improving situation in relation to arrears in assessed contributions and urged members with outstanding arrears to agree on a schedule with the secretariat to settle them as soon as possible; and
- v. recognised the value of implementing an enhanced recruitment process for executive-level positions at SPC.

#### **In relation to the work of SPC’s technical divisions, CRGA:**

- vi. accepted the reports by the technical divisions on their work in 2012 and commended them on their excellent work and achievements;
- vii. endorsed the divisional work programmes for 2013;
- viii. noted the secretariat’s intention to continue moving toward ‘country by country results-based reporting’ commencing with its reports to CRGA 43 in 2013;
- ix. noted the secretariat’s intention to build on the STAR (Science, Technology and Resources Network) meeting concept and expand its coverage to include other divisions of SPC;
- x. noted the outcomes of the 2012 meeting of Pacific Ministers of Agriculture and Forestry;
- xi. noted the outcomes of the 2012 meeting of the Applied Geoscience and Technology (SOPAC) Division;
- xii. noted the outcomes of the internal review of the Fisheries, Aquaculture and Marine Ecosystems (FAME) strategic plan, the minor revisions to objectives that have been approved by Heads of Fisheries, and the indicators now used to measure progress;

- xiii. noted that the Public Health Division will develop a new strategic plan in 2013;
- xiv. noted progress made by the Statistics for Development Programme during 2012 in developing economic, vital and education statistics and sectoral statistics, and efforts being made to assist Pacific Island countries, and territories starting in 2013, to improve their administrative databases and management information systems in key sectors.

### **AGENDA ITEM 2.3 – IMPLEMENTATION OF THE RECOMMENDATIONS OF THE INDEPENDENT EXTERNAL REVIEW**

The meeting considered the outcomes of the Special Session of CRGA which met in August 2012 to deliberate on the recommendations of the independent external review (IER) of SPC.

CRGA:

- i. confirmed the outcomes of the Special Session of CRGA held in August 2012;
- ii. commended the secretariat on its positive response to the review's findings and recommendations;
- iii. noted the good progress made in implementing the recommendations of the IER in 2012 and further noted the outputs expected to be achieved in 2013;
- iv. acknowledged that successful implementation of all the recommendations will require funding at the new level recommended by the IER to be provided within the stated timeframe;
- v. commended Pacific Island members for agreeing to increase the total of their collective assessed contribution by 500,000 CFP units in SPC's 2013 financial year, and commended SPC's host members for agreeing to work with the secretariat in 2013 on the host grant issue;
- vi. thanked SPC's metropolitan members for their willingness to consider various funding modalities including an increase in their assessed contributions and conversion of programme or voluntary funding and project funding to help the secretariat reach the proposed new core funding level of 35 million CFP units by 2015.

### **AGENDA ITEM 2.3.1 – REPORT FROM THE CHAIR OF THE CRGA AUDIT COMMITTEE**

The newly established CRGA Audit Committee met for the first time on 19 October 2012 at SPC headquarters in Noumea and reviewed the charters approved by CRGA 41 and the 7<sup>th</sup> Conference. Some aspects of the charters will be modified to bring them into line with best practice.

CRGA:

- i. approved the change in the name of the committee to CRGA Audit and Risk Committee;
- ii. approved the appointment of the Director-General of SPC as an ex officio member of the committee;
- iii. noted the formal establishment of the full committee on 9 October 2012;
- iv. approved the change in the tenure of committee members to three years, covering the full calendar year cycle, noting that the term of the first committee commenced in October 2012 and will conclude on 31 December 2015;
- v. agreed that the chair will be independent and will report directly to the chair of CRGA; and
- vi. directed the secretariat to make the necessary modifications to the text of the Audit Committee Charter to reflect the decisions as approved by CRGA.

**AGENDA ITEM 2.4** – *Discussion of Paper 2.4 was deferred until after agenda item 6.2*

### AGENDA ITEM 3 – REGIONAL ENGAGEMENT

#### **AGENDA ITEM 3.1 – MAXIMISING BENEFITS FROM OUR OCEAN**

SPC provides scientific support for the responsible use and conservation of the Pacific Ocean. SPC programmes are increasingly taking a cross-cutting approach to ocean issues, working together and with partners, to help members achieve sustainable benefits, including in fisheries, maritime transport, establishment of maritime boundaries and potential exploitation of deep-sea minerals.

CRGA:

- i. commended the collaborative work of SPC divisions and other partners in providing world-class scientific support to address ocean issues;
- ii. encouraged the development and strengthening of existing work and emerging new working partnerships internally and externally;
- iii. supported SPC's continuing lead role in the Marine Sector Working Group, given the multi-disciplinary work across the divisions; and
- iv. supported the establishment of a small ocean policy unit to progress the necessary coordination work with global, regional and national partners.

#### **AGENDA ITEM 3.2 – UNLOCKING THE DEVELOPMENT POTENTIAL OF LAND AND LAND-BASED RESOURCES**

The meeting discussed the importance of land and land-based resources in providing livelihoods and food security for Pacific Island people and the sensitivity of the strong connection between land, including land ownership, and culture. The pressures that population growth, intensive cultivation, deforestation, unsustainable mining and mineral resource use, climate change and natural disasters are putting on these resources were noted. The meeting further discussed the role of land-use planning and land zoning in achieving sustainable development of agriculture and forestry resources and in providing for uses such as tourism, industry and mining, and SPC's efforts to support members in developing relevant policy and frameworks.

CRGA:

- i. noted the challenges that Pacific Island countries and territories face in developing their land and land-based resources; and
- ii. recognised SPC's work in support of land use planning, and its engagement in strengthening the policy and legislation frameworks needed to undertake such planning at national level.

#### **AGENDA ITEM 3.3 – PROVISION OF CLIMATE CHANGE RELATED SERVICES**

The secretariat stressed the need for coordination between all partners involved in supporting the region's responses to the emerging impacts of climate change, while recognising SPREP's lead role in the sector. SPC is increasingly adopting programmatic approaches encompassing various project activities across multiple sectors, but for this approach to succeed, governments, regional organisations and development partners must be willing to work in partnership.

CRGA:

- i. noted that an integrated, multi-sectoral approach to climate change adaptation offers many advantages, including the potential to enable countries to more effectively absorb increased flows of climate change resources and also reduce the management and coordination burden they currently face;

- ii. welcomed SPC's integrated 'one-team' approach as an effective service delivery model for addressing climate change and noted that the secretariat will continue to work with members to develop national-level multi-sector programmatic approaches;
- iii. encouraged development partners to support the move towards programmatic approaches to providing climate change support to countries and territories and to partner with others to jointly fund integrated, sector-wide adaptation programmes; and
- iv. noted that a range of potential climate change financing modalities are emerging that may be suitable for funding such approaches, such as direct budget support at the sector/national level, and national trust funds.

### **AGENDA ITEM 3.4 – REDUCING AND MANAGING RISKS FOR BETTER DEVELOPMENT OUTCOMES**

Recognising the vulnerability of Pacific Island countries and territories (PICTs) to risks, not just from climate change but across all aspects of day-to-day business, the secretariat outlined the need to develop better understanding of risks by measuring and monitoring them over time; to share the resulting knowledge with communities; and to provide integrated multi-sectoral solutions based on technical and scientific information.

CRGA:

- i. agreed that PICTs, with the support of SPC, need to take serious steps to integrate risk management analysis and planning approaches into all aspects of their development planning strategies;
- ii. strongly encouraged PICTs, with the support of SPC, to approach risk management in development by determining the level at which risk becomes unacceptable to their communities and basing the development of response strategies on this; and
- iii. directed SPC to continue to provide well-informed, inclusive and integrated technical information to members to help them address risks at all levels and across their whole development agenda.

### **AGENDA ITEM 3.5 – ACHIEVING BETTER HEALTH OUTCOMES**

The prevalence of non-communicable diseases (NCDs) in Pacific populations has reached crisis point and SPC has strongly supported regional and national efforts to reduce the incidence of both these diseases and communicable diseases in Pacific populations. Acknowledging that a multi-sectoral approach is required to achieve improved health outcomes, SPC places emphasis on addressing the wider determinants of health, including political, economic, cultural and social determinants, and – inside the health sector – continues to provide support for strengthening health systems and improving the efficiency and effectiveness of health interventions and health surveillance systems. The Public Health Division's new strategic plan, to be developed in 2013, will include a multi-sectoral approach and will also consider the positioning of programme resources.

CRGA:

- i. noted that the health sector in many PICTs is under-resourced and they struggle to provide effective, high-quality health services to their populations;
- ii. acknowledged that many solutions exist outside the health sector and encouraged governments and administrations to consider a 'whole of government, society, country' approach to achieve better health outcomes, including devoting sufficient resources to health; and
- iii. welcomed the intention of the Public Health Division to focus its new strategic plan on addressing both the non-health and health interventions that will help PICTs achieve better health outcomes.

### **AGENDA ITEM 3.6 – PUTTING A HUMAN FACE TO DEVELOPMENT**

SPC supports a people-centred approach to achieving sustainable development outcomes through its programme interventions, including mainstreaming gender and youth issues across divisions and programmes. The meeting discussed the critical importance of gender equality in sustainable development and acknowledged Australia's generous support of this goal as well as its support for those living with disability.

CRGA:

- i. agreed on the importance of putting the human face at the centre of all development planning and the benefits of including this focus in national strategic planning processes within government; and
- ii. noted SPC's intention to provide members with information and other analytical support to enable informed decision-making on integration of the human face in development work.

### **AGENDA ITEM 3.7 – TRACKING DEVELOPMENT PROGRESS**

The content and functionality of SPC's National Minimum Development Indicator (NMDI) database has been expanded to provide data users with easy access to development statistics and indicators across key sectors, as asked for by Pacific Leaders in the Pacific Plan. There are several issues constraining regular production of quality and timely statistics. The steps proposed to broaden the scope and use of the SPC NMDI database include attempting to fill existing data gaps, expanding geographic coverage including MDG indicators in territories, addressing emerging demands for cross-sectoral indicators, e.g. in food security and climate change, and training users to use the system.

CRGA:

- i. recognised that the National Minimum Development Indicator (NMDI) database provides a valuable resource for members; and
- ii. acknowledged the collaborative work undertaken by SPC's Statistics for Development Programme, its sister divisions and other key technical and financial partners in seeking a sustainable future for evidence-based policy development, planning and tracking of development, based on high-quality, real-time statistics and indicators.

### **AGENDA ITEM 3.8 – MEASURING ORGANISATIONAL PERFORMANCE**

In 2012, SPC has progressively rolled out a new corporate monitoring and evaluation (M&E) framework to enhance management for development results and improve accountability reporting to members and donors. An online integrated reporting information system (IRIS) being developed by the secretariat will provide an interface for accessing M&E information. The meeting discussed the potential benefits of the framework in supporting organisational effectiveness, the need for robust M&E plans to be attached to divisional and programme plans, and the need for the framework to be linked to the joint country strategies. The benefit of both qualitative and quantitative reporting in building a more complete picture of impact at national level was also discussed.

CRGA:

- i. emphasised the importance of M&E and directed the secretariat to further strengthen M&E and results-focused reporting;
- ii. commended the progress made by the secretariat in implementing its corporate M&E framework;
- iii. acknowledged that the M&E framework is a significant step towards meeting CRGA's needs in terms of results-focused reporting;

- iv. noted that sustainable resources were required to fully implement the corporate M&E framework across the organisation within the timeframe envisaged.

#### **AGENDA ITEM 4 – CORPORATE PLAN 2013 – 2017**

The secretariat presented the draft corporate plan for 2013–2017, which will succeed the current plan for 2007–2012. The plan incorporates the strategic direction recommended by the independent external review and endorsed by CRGA 42, including the need to focus on an M&E framework that meets the needs of members and development partners for results-based reporting. It takes into account the changes that have occurred in the organisation during the life of the current plan, including the reform of the regional institutional framework (RIF), which expanded the scope and coverage of SPC’s work, and its increasing role in addressing cross-cutting priorities such as food security and climate change. The new plan provides a basis for establishing clear linkages between SPC’s joint country strategies, divisional plans, budget and M&E framework.

CRGA:

- i. noted the secretariat’s request for members to provide changes, modifications or additions to be incorporated in the plan by Monday, 7 January 2013;
- ii. endorsed the draft corporate plan 2013–2017 in principle, noting the secretariat’s intention to conduct further consultation with SPC members, staff and other stakeholders following CRGA 42;
- iii. directed the secretariat to circulate the final draft of the new corporate plan for 2013–2017 to members in early 2013 for their final review and approval out of session.

#### **AGENDA ITEM 5 – POLICY ISSUES EMANATING FROM THE INDEPENDENT EXTERNAL REVIEW**

##### **AGENDA ITEM 5.1 – DECENTRALISATION OF SPC OFFICES AND SERVICES**

The secretariat has implemented the instructions of the 2005 Conference by decentralising its operations and does not plan further decentralisation at present.

CRGA:

- i. noted that decentralisation has advantages and disadvantages as well as costs;
- ii. further noted the secretariat’s view that it has fully implemented the direction of the 4th Conference of the Pacific Community on decentralisation to the extent practicable; and
- iii. endorsed the secretariat’s position that it will not pursue further decentralisation of its offices beyond the current configuration of its headquarters in Noumea, New Caledonia, two regional offices in Suva, Fiji, and Pohnpei, Federated States of Micronesia (FSM) and a country office in Honiara, Solomon Islands.

##### **AGENDA ITEM 5.2 – MEMBERSHIP POLICY ISSUES**

Noting that the recent independent external review suggested that ‘...SPC may want to review whether it wants to expand its membership or develop alternatives to full membership for parties that would like to work more closely with SPC for further consideration by CRGA’, the secretariat presented possible options for new membership. The meeting discussed the implications, including legal and financial aspects, of creating a new category of membership and allowing multilateral organisations, among others, to join the Pacific Community.

CRGA:

- i. noted with interest the Director-General's paper on possible expansion of SPC membership; and
- ii. agreed to establish a working group, to be chaired by France as the chair of CRGA and to include French Polynesia, Marshall Islands, Papua New Guinea, Samoa and the United States, to work with the secretariat to examine a number of issues raised by members during the discussion and submit a more detailed report to CRGA 43 and the 8<sup>th</sup> Conference in 2013.

## AGENDA ITEM 6 – OPERATIONS AND MANAGEMENT

### **AGENDA ITEM 6.0 – OPERATIONS AND MANAGEMENT OVERVIEW REPORT**

SPC's Operations and Management Division has made good progress in implementing several projects including a new online human resources information system, upgrade of the ICT infrastructure and review of corporate administrative and human resources policies. It has also achieved efficiency gains as a result of putting in place a flatter structure and more streamlined work processes. The secretariat acknowledged the significant financial support provided by Australia for the initiatives described.

CRGA:

Commended the key initiatives undertaken by the Operations and Management Division in 2012 to ensure SPC's corporate and programme support services meet the needs of an expanded and decentralised 'post-RIF' organisation that seeks to operate with efficiency, transparency and accountability.

### **AGENDA ITEM 6.1 – CROP TRIENNIAL REMUNERATION REVIEW 2012 – TERMS AND CONDITIONS FOR STAFF IN POSITIONS ADVERTISED INTERNATIONALLY**

Four CROP agencies (FFA, PIFS, SPC and SPREP)<sup>1</sup> have adopted a harmonised approach to their remuneration principles and practices and undertake a regular review to ensure these are in line with international good practice. The 2012 Triennial Remuneration Review confirmed that SPC's remuneration policies are in line with international practice and also reasonably harmonised between participating agencies and made a number of recommendations to address concerns about the COLDA (cost of living differential allowance) and impact of volatile exchange rates on budgets and salaries. The secretariat supports the view of the CROP working group that these recommendations need to be analysed further before implementation can be considered.

CRGA:

Agreed with the secretariat's proposal to continue discussion of the recommendations of the 2012 Triennial Remuneration Review.

### **AGENDA ITEM 6.2 – ANNUAL SALARY MARKET REVIEW AND SALARY SCALES**

The secretariat proposed a modest increase to bring its 2013 salary scale for internationally recruited staff in line with the current (i.e. 2012) PIFS salary scale. Current SPC salaries are significantly below the average of the three reference markets and also below those paid by PIFS and SPREP despite the intended harmonisation of the four CROP agencies. In relation to the 2013 scale for positions advertised locally, CROP policy is to align salaries with those paid in the markets of the host

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<sup>1</sup> CROP – Council of Regional Organisations in the Pacific; FFA – Forum Fisheries Agency; PIFS – Pacific Islands Forum Secretariat; SPREP – Secretariat of the Pacific Regional Environment Programme.

countries, normally the average of public and private sector salaries, or with those of existing agencies in various locations.

## **CRGA**

With regard to positions advertised internationally,

- i. approved the recommended 2013 salary scale.

With regard to 2013 salary scales for positions advertised locally:

- ii. approved the secretariat's proposal to align its FSM salary scale with that of the Western and Central Pacific Fisheries Commission;
- iii. approved the recommended salary scale in Fiji;
- iv. noted that the secretariat will discuss a more comprehensive salary survey in New Caledonia with local authorities and staff and continue to follow increases in public sector salaries; and
- v. approved the continuing alignment of SPC's Solomon Islands salary scale with that of FFA.

### **AGENDA ITEM 2.4 – DIRECTOR-GENERAL'S ISSUES PAPER ON CROP REMUNERATION**

*Note: In adopting the provisional agenda, the meeting decided to discuss Paper 2.4 following other remuneration issues.*

As already noted, SPC's remuneration policy is harmonised with that of three smaller CROP agencies (FFA, PIFS and SPREP). However, harmonisation has created difficulties for SPC, which has a much larger staff and range of positions in comparison with these agencies. It has experienced problems in attracting and retaining the qualified and experienced staff needed for its technical and scientific programmes and requested CRGA to address this situation urgently. A modification of the existing salary scale was proposed to accommodate SPC's requirements more specifically along with consideration of mechanisms such as gratuities to enhance staff retention. In relation to the position of SPC Director-General, the secretariat noted that moving the positions of the CEOs of FFA and SPREP up to the same salary band as that of the CEO of SPC has created an anomaly in the CROP CEO banding structure, given that SPC is by far the largest organisation, and it requested that CRGA address the issue.

CRGA:

- i. noted the Director-General's paper on CROP remuneration issues; and
- ii. directed the secretariat to further analyse the matters involved and present a paper, including data illustrating retention and recruitment difficulties, for consideration by CRGA 43 in 2013.

### **AGENDA ITEM 6.3 – ASSESSED CONTRIBUTIONS AND HOST GRANTS**

The secretariat was pleased to advise CRGA that 16 of SPC's 26 members have fully settled their assessed contributions to SPC. All except three have made payments during the financial year, including members known to have financial difficulties. This was a significant improvement over previous years. The total amount outstanding is 2,222,691 CFP units; approximately 80% (2 million CFP units) of this amount is owed by just five members. Nauru advised that its president had signed a five-year repayment plan for its arrears. SPC's auditors have, however, insisted that provision is made in its 2011 annual accounts for long-outstanding arrears. As directed by CRGA, the secretariat will carry out a review of the formula used to calculate assessed contributions, which has become more complex following the merger of SPC, SOPAC and SPBEA, for consideration by CRGA 43.

CRGA:

*Concerning the status of assessed contributions*

- i. acknowledged the significant efforts made by many members;
- ii. requested those members with outstanding contributions, in particular those with arrears, to settle these as early as possible;
- iii. requested members in financial difficulties to agree on a payment plan with the secretariat;

*Concerning the policy on long-outstanding arrears*

- iv. endorsed the secretariat's new policy of making a provision in its annual accounts for assessed contribution debts that are older than four years unless an agreed payment plan exists and is being implemented;
- v. endorsed the secretariat's policy of applying payments to oldest debts first;
- vi. confirmed its policy of not writing off arrears.

*Concerning financial year 2013 assessed contributions and host grants*

- vii. noted the schedule of assessed contributions (Annex 1 of the Green Book);
- viii. in the context of the overall review of assessed contributions, welcomed the announcement by France that it will increase its assessed contribution to 2.3 million CFP units from 1,620,920 CFP units based on the conversion of a significant portion of its voluntary contribution;
- ix. noted that the secretariat is continuing its discussions with host countries on closer links between the size of grants and the economic benefits to host countries;
- x. further noted that the secretariat intends to commission a study to estimate benefits to host countries and will report to CRGA 43 on the matter of host grants;

*Concerning the review of the funding formula for assessed contributions*

- xi. confirmed that a revised formula will be presented for consideration by CRGA 43, noting that the review of the formula will be included in the TORs of the consultancy for the review of the host grant formula in 2013;
- xii. recognising that American Samoa, Northern Mariana Islands, Pitcairn Islands, Tokelau and Wallis and Futuna now have access to the services of the Applied Geoscience and Technology (SOPAC) Division, requested that these members increase their contributions by 6,600 CFP units each to bring them into line with those of other small countries and territories from financial year 2013.

**AGENDA ITEM 6.4 – 2011 ANNUAL ACCOUNTS, AUDIT REPORT AND AUDITOR'S MANAGEMENT LETTER**

In accordance with the financial regulations, the 2011 audited financial statements and audit reports were submitted to CRGA for its consideration. The 2011 financial records for the secretariat and the staff provident fund received unqualified audit opinions from the auditor, PricewaterhouseCoopers, New Caledonia. The auditor's management letter with management responses, which was also submitted for members' information, drew attention to the status of outstanding assessed contributions and insisted that provision be made for doubtful debts.

CRGA:

- i. accepted the 2011 audited financial statements as presenting a true and fair view of the financial position and financial performance of the secretariat and of its staff provident fund;
- ii. noted that proper accounting records have been kept and unqualified audit reports were received by SPC for the 16th successive year;
- iii. noted the comments of the auditors in the management letter and the responses of management; and
- iv. noted the issues raised by the auditors regarding arrears in members' contributions.

### **AGENDA ITEM 6.5 – REVISION OF 2012 BUDGET**

The revised budget for 2012 is a balanced budget that totals 106,372,200 CFP units (core 23,831,100 CFP units; project funding 82,541,100 CFP units). Overall, the 2012 revised budget reflected an increase of 8,775,600 CFP units, or 9.0%, compared to the original budget of 97,596,600 CFP units. The secretariat was pleased to advise that no transfer from reserves was required to balance the revised budget; current year expenditure is fully covered by current year income.

CRGA:

Noted the revised budget (core and project funding) for financial year 2012.

### **AGENDA ITEM 6.6 – FINANCIAL YEAR 2013 BUDGET**

SPC's budget for 2013 is a balanced one of 94,721,000 CFP units, comprising a core budget of 24,720,100 CFP units and project funding of 70,000,900 CFP units. It reflects changes in SPC's organisational structure and includes forecasts up to financial year 2015. There is also progress towards the reserves target set by CRGA. The meeting discussed the improvements in the presentation of the budget, the importance in future of providing information on country-level expenditure and savings resulting from efficiency gains, and the need to report detailed results against objectives in divisional plans. The meeting also requested SPC management to provide within-year reporting on expenditure to be circulated to members out of session for their information. This level of reporting will help metropolitan members in considering moving toward multi-year funding and conversion of project funding to core funding.

CRGA:

- i. approved the proposed budget for financial year 2013; and
- ii. noted the progress update on SPC's reserves.

### **AGENDA ITEM 7.1 – SELECTION OF THE DIRECTOR-GENERAL**

The secretariat proposed amending the Procedure for the Appointment and Assessment of the SPC Director-General by including the services of an international recruitment firm to assist in the selection process, and recommended EWK International, which has supported the secretariat in recruitment of directors.

CRGA:

- i. appointed the members of the selection advisory committee that will undertake the selection process as follows: Chairperson – France (chair of CRGA); Australia (donor representative), Fiji (previous chair of CRGA), Kiribati (incoming chair of CRGA), Marshall Islands (Micronesian subregion representative), New Caledonia (French-speaking representative), Papua New Guinea (Melanesian subregion representative) and Samoa (Polynesian subregion representative);
- ii. approved using the services of an international recruitment firm to assist in the process for selecting the Director-General and appointed EWK International;
- iii. approved the schedule for the selection process recommended by the secretariat; and
- iv. directed the secretariat to update the Procedure for the Appointment and Assessment of the SPC Director-General to reflect recommendation ii.

## **AGENDA ITEM 7.2 – ASSESSMENT OF THE DIRECTOR-GENERAL’S PERFORMANCE IN 2012 (CLOSED SESSION)**

CRGA met in a closed session to assess the performance of the Director-General in 2012.

CRGA:

Set the Director-General’s salary for 2013 at 106% on the applicable salary band in recognition of his excellent performance, his leadership of the organisation and his contribution to regional development.

## **AGENDA ITEM 8 – STATEMENTS FROM OBSERVERS**

The meeting noted with appreciation the statements that were presented on behalf of the European Union, Pacific Islands Forum Secretariat, Secretariat of the Pacific Regional Environment Programme and University of the South Pacific.

## **AGENDA ITEM 9 – VENUE, CHAIRPERSON AND VICE-CHAIRPERSON FOR CRGA 43**

In accordance with its rules, CRGA decided on the arrangements for its next meeting, which will be held in the week before the 8<sup>th</sup> Conference of the Pacific Community.

CRGA:

- i. noted that CRGA 43 will meet in Fiji from 11 to 15 November 2013;
- ii. noted that the Chairperson for CRGA 43 will be provided by Kiribati and the Vice-Chairperson by Marshall Islands.

## **AGENDA ITEM 10 – OTHER BUSINESS**

Solomon Islands took the floor to express its gratitude to SPC for its assistance in making the 2012 Festival of Pacific Arts, which was hosted by Solomon Islands, a great success. He said the festival is one of the most important cultural events in the Pacific and SPC’s assistance across several sectors, including culture, health and media, was central to its success. In addition to the staff of SPC’s Human Development Programme, the Solomon Islands country office also provided key support.

## **AGENDA ITEM 11 – ADOPTION OF CRGA DECISIONS**

CRGA adopted its decisions.



## REPORT OF PROCEEDINGS OF CRGA 42

### AGENDA ITEM 1 – OPENING

The 42<sup>nd</sup> meeting of the Committee of Representatives of Governments and Administrations (CRGA 42) opened on 12 November 2012 at SPC headquarters in Noumea, New Caledonia. The meeting was chaired by France with Kiribati as Vice-Chair and attended by representatives of the following members of the Pacific Community – American Samoa, Australia, Cook Islands, Federated States of Micronesia, Fiji, France, French Polynesia, Kiribati, Marshall Islands, Nauru, New Caledonia, New Zealand, Niue, Northern Mariana Islands, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu, Vanuatu, United States of America and Wallis and Futuna – and by observers from the European Union, Pacific Islands Forum Secretariat, Pacific Leadership Program, Secretariat of the Pacific Regional Environment Programme (SPREP) and University of the South Pacific (USP).

### AGENDA ITEM 2 – DIRECTOR-GENERAL'S REPORT SERIES

#### AGENDA ITEM 2.1 – DIRECTOR-GENERAL'S 2012 OVERVIEW REPORT

*The Director-General reported on the status of implementation of the key decisions taken by CRGA 41 and the 7th Conference of the Pacific Community in 2011 and described selected highlights of the 2012 work programme, noting that the independent external review (IER) carried out in the first half of the year provided a platform for reforms that will further strengthen SPC's foundation for the future and its role in the Pacific development agenda. The secretariat is working towards implementing a comprehensive monitoring and evaluation framework that will enable SPC to provide detailed information on the results of its services to members and their contribution to national and regional development outcomes. The meeting discussed the value of the joint country strategy approach in aligning programmes to national priorities and contributing to achieving development outcomes.*

**Director-General:** Reported on progress towards six key milestones agreed to by the 7th Conference of the Pacific Community in 2011, noting highlights and challenges. 2012 was a challenging but productive year for SPC. In terms of service delivery, SPC continued to achieve results, despite increasing difficulty in attracting qualified technical staff to maintain high level services.

The Director-General highlighted the Operations and Management Division, the core mechanism supporting technical divisions, for further discussion regarding unmet future funding and support requirements.

He noted the risk to financial sustainability caused by heavy reliance on the top two funding sources. The organisational structure recommended by the IER has been adopted and will be implemented once executive positions are filled. The Director-General provided an update on recruitment for executive and divisional director positions.

**Chair:** Acknowledged the excellent work undertaken by the IER.

#### **Discussion**

**Papua New Guinea (PNG):** Suggested that the CROP (Council of Regional Organisations in the Pacific) process for harmonisation of remuneration be reviewed, with consideration given to other options such as an independent remuneration exercise for SPC.

**Australia:** Recommended that the Strategic Engagement, Policy and Planning Facility (SEPPF) focus on the important work of strategic policy, monitoring and evaluation, while leaving cross-cutting issues and other programme support roles to the new programme enabling unit under the Deputy Director-General, Programmes. Australia considers the IER to have been comprehensive, highlighting the key issues of reporting on results, sustainable financing, priority setting, and management. Australia commended the Secretariat on its efforts to implement high priority recommendations quickly, and countries for meeting their membership contributions. Australia intends to resume multi-year core funding to the secretariat from 2014, and is receptive to the possibility of converting some project funds to core, contingent on improved reporting by the secretariat. Donors require a clear understanding of the services members are receiving and a stronger sense of results in two areas:

- SPC's contribution to development outcomes both regionally and nationally; and,
- SPC's own organisational effectiveness and efficiency in providing assistance to members.

Australia encouraged CRGA to engage in discussion on the concept of regional public goods as part of the Pacific Plan review. It is critical that SPC plays to its strengths as a regional organisation, recognising that its work must complement, and support national-level priorities. It is also important that SPC engages strongly with all other sources of development funding, including the donor community.

**Kiribati:** Acknowledged the importance of adequately remunerating SPC staff to ensure continuation of the organisation's high level of service. Kiribati noted the importance of the joint country strategy (JCS) process which encouraged country cooperation and ownership. Strengthening of coordination is required. Kiribati assured SPC that the arrears in its assessed contribution will be cleared by the end of 2012. When discussing sustainable financing and SPC's core roles as proposed in the IER, Kiribati said that the different development levels of each country must be taken into consideration. Many countries may still require services that are tagged as lower priority for SPC.

**New Zealand:** Acknowledged the rapid adoption of some IER recommendations and SPC's plan to progress on further recommendations. SPC's core regional services have been defined, but New Zealand encouraged the secretariat to continue to clarify which activities and priorities the core budget will support, with a focus on defining results.

**Niue:** Suggested that the implementation of IER recommendations be put into a timeframe of deliverables. In relation to aligning IER recommendations with the reform of the regional institutional framework (RIF), Niue encouraged SPC to refine its programmes and review their placement in order to prevent duplication of services, and to maximise the resources of all CROP agencies. Niue looked forward to the review of its JCS and to receiving its country profile.

**Samoa:** Welcomed the new SEPPF monitoring and reporting system, which would give a better indication of the development impact of SPC work programmes. Samoa requested that the secretariat provide an update on the sustainable financing strategy.

**Director-General:** The strategy will be outlined in the relevant chapter of the new Corporate Plan 2013- 2015.

**Solomon Islands:** Conveyed appreciation to SPC for its support of its Solomon Islands Country Office, and for placing staff in member countries. The operational strategy could be considered further when discussing SPC salary and remuneration issues.

**Director-General:** Thanked the CRGA members who were involved in the IER and executive recruitment process. The IER had identified SPC's core services, and SPC now needed to consolidate and focus activities at the programme level. SPC is placing emphasis on measurement of results, and the integrated reporting and information system is a key driver of this process. The IER recommended refinement of the JCS approach, shifting the focus from inputs to outputs. Refining the JCS process and inclusion of other CROP organisations in JCSs will occur in 2013.

## Decisions

CRGA:

- i. acknowledged the secretariat's achievement of the key milestones set by CRGA 41 and the 7th Conference of the Pacific Community for SPC in 2012;
- ii. noted the work and achievements of the Strategic Engagement, Policy and Planning Facility;
- iii. noted the work and achievements of the Operations and Management Division;
- iv. welcomed the improving situation in relation to arrears in assessed contributions and urged members with outstanding arrears to agree on a schedule with the secretariat to settle them as soon as possible; and
- v. recognised the value of implementing an enhanced recruitment process for executive-level positions at SPC.

### AGENDA ITEM 2.2 – 2012 WORK PROGRAMME HIGHLIGHTS AND 2013 WORK PROGRAMME

**Director-General:** Drew member's attention to a new monitoring and evaluation proposal in Paper 2.2; i.e. starting in 2013, SPC should adopt an expanded, organisation-wide version of the concept of the PMEG (Programme Monitoring and Evaluation Group) used by the Applied Geoscience and Technology (SOPAC) Division. Each member PICT should establish a core programme monitoring and evaluation team (PMET) comprising three people. The team would be headed by the SPC focal point in each PICT and its key role would be to assess the services delivered by SPC annually and submit a report of this assessment to the secretariat and CRGA. This process would ensure regular reporting of outputs, results and possible impacts of SPC's regionally delivered services. The secretariat would provide logistic support to the respective PMETs through its Strategic Engagement, Policy and Planning Facility. He sought CRGA's endorsement of this mechanism to commence in 2013.

The Director-General then introduced reports from each of SPC's seven technical divisions.

#### 2.2.1 – Applied Geoscience and Technology (SOPAC)

**SOPAC Director:** Outlined division staffing, budget and programmes. He noted the division's strategic goals and core services and presented national and regional programme highlights, and 2013 anticipated key outputs.

**Chair of Science Technology and Resources Network (STAR):** Provided some background on the network, which met prior to CRGA. STAR is an independent group that coordinates a cross-fertilisation of scientific ideas and encourages young scientists in the region to engage in higher level interventions. STAR provides a free information source to solve scientific problems in the region, independent support and advice and mentoring. It serves to link the SOPAC Division with the rest of the scientific world.

**FSM:** Expressed gratitude to the division for the work undertaken in 2012.

## **2.2.2 – Economic Development**

**EDD Director:** Presented a divisional overview and discussed the strategic plan (2012-2017), programme highlights and the budget. Major deliverables for 2013 were listed, noting challenges and opportunities the division faces.

## **2.2.3 – Education, Training and Human Development**

**Deputy Director-General (Suva):** Presented an overview of the Education, Training and Human Development Division, discussing its strategic plan, goals and budget. She noted programme highlights and major deliverables relating to sustainable economic development, sustainable human and social development and sustainable natural resources and environment management and developments.

## **2.2.4 – Fisheries, Aquaculture and Marine Ecosystems**

**Fisheries, Aquaculture and Marine Ecosystems (FAME) Director:** Presented the core functions of the Oceanic and Coastal Fisheries Programmes, providing highlights and the budget overview. The FAME programme focuses on research issues rather than political activities, which are within the scope of other fisheries organisations in the region. He listed the new priorities for 2013, noting challenges and opportunities the division faces.

## **2.2.5 – Land Resources**

**Acting Director, Land Resources Division (LRD):** Presented LRD's core services, current structure, staffing and budget. He listed LRD work output highlights for 2012 and major deliverables for 2013, noting challenges and opportunities.

**USA:** Acknowledged the work of the Acting Director of LRD and thanked him for his continued work for the division.

## **2.2.6 – Public Health**

**Acting Director, Public Health Division (PHD):** Presented a divisional overview and discussed the programme's core services. He noted the high reliance on project funding in the division budget and the need to develop core funding sources. He listed programme highlights and major deliverables for 2013.

## **2.2.7 – Statistics for Development**

**Statistics for Development Programme (SDP) Manager:** Presented programme information, staff numbers and the budget. He acknowledged Australia's long-term financial commitment to the first four years of the Ten Year Pacific Statistics Strategy. He discussed programme highlights and major deliverables for 2013.

## **Discussion**

**PNG:** Congratulated the Acting Director of LRD for doing the work of a director. He also commented on the French representative's wish to see more recruitment of French speakers in the Suva office, which should be considered.

**Tuvalu:** Values SPC's role and assistance in many areas where SPC has a comparative advantage. Tuvalu is finalising its national census and thanks SPC for its capacity building work, which enabled Tuvalu to carry out the census.

There are some areas that Tuvalu needs assistance with. Food security is one, as the country is still recovering from last year's drought, and the recent fish poisoning episode is another. Tuvalu thanks SPC for the help in funding, but is concerned about the distribution of funds among the nine small island states involved in the global EU climate change project. A lot of the money is retained by SPC, and Tuvalu would like to see a greater allocation going to the nine states to implement approved projects. He said that Tuvalu supported the recommendations in Paper 2.3.

**Wallis and Futuna:** Noted that Wallis and Futuna will be hosting the Pacific Mini Games and asked what assistance could be expected from the Public Health Division.

**Samoa:** Acknowledged the technical support from the Community Education Training Centre (CETC) and said that many Samoan graduates were now in highly placed positions. She hoped CETC would still direct the programme after its transfer to USP and would disseminate the results of the DFL (Distance and Flexible Learning) trial of the programme.

The Samoan Youth Council would be in need of SPC assistance to make it effective if it became independent, as was being considered.

Regarding the Secretariat of the Pacific Board for Educational Assessment (SPBEA) regional qualifications register, Samoa was concerned that it may duplicate what individual countries were doing and may have a regulatory role.

Samoa thanked FAME for much-needed and timely assistance. Other areas where SPC assistance is needed are the survey of whales and dolphins, protection of mangroves and rehabilitation of coral reefs.

One area that SPC has not been very involved in is customary land tenure. Samoa is currently undergoing land reform, and wonders if SPC could work on a regional programme in this area. SDD assistance has been much appreciated, especially in cross-sectoral statistics. More help is needed.

**Australia:** Regarding the Water and Sanitation Programme, Australia would like more time to consider its placement, noting that the IER had recommended an evaluation of a possible move to EDD. Regarding the PHD report, he said it was largely uncosted, and the new director's first task must be to develop a strategic plan. Australia is concerned about the lack of funds for laboratory strengthening; Australia was only waiting for a formal proposal and the funds would have been made available. Regarding monitoring and evaluation, SPC needs to build its own system – a broad one (not just the integrated reporting and information system), and one that would be used from the beginning of an activity, not just at the end. Regarding moving money from project to core funding, Australia is willing to consider it, but it would be contingent on SPC reporting detailed results linked to funding.

**Fiji:** Suggested some small changes to the recommendations in paper 2.2.

**Tonga:** In relation to the SOPAC Division, said individual countries should be consulted before their data are made available.

**Kiribati:** Thanked the SOPAC Division for its help with maritime boundaries, hydrographic nautical charts, and deep-sea mining, in which there is growing interest as it offers potential for social and economic development, although countries must be cautious about the environmental impact. Kiribati is also very grateful to EDD for its assistance in maritime matters and skills updating, but was concerned about the non-arrival of the energy statistics book. He thanked SPBEA for its capacity building assistance for the Pacific Islands Literacy and Numeracy Assessment (PILNA). Regarding the Regional Media Centre, Kiribati would be interested to know what aspects of its work will be retained, as there is a need for some of its services in Kiribati, especially in the area of using radio and TV for lobbying and dissemination of information.

Another matter for concern was the future funding for some fisheries projects; Kiribati would like information about the future of these projects. Information from LRD about the relationship between the Centre of Excellence in Kiribati and the new one in Marshall Islands would also be appreciated.

There are urgent issues for PHD to address in Kiribati concerning the country coordinating mechanism and the JCS. There appears to be some misinformation regarding implementation of programmes in Kiribati.

**New Zealand:** Regarding the work of PHD, New Zealand welcomed the work in surveillance, and considers it a core regional service. New Zealand encourages PHD to build on the 2-1-22 collaboration with the World Health Organization on NCDs (non-communicable diseases) and encourages more such collaborative work. She noted the division's intention to continue its work in sexually transmitted infections (STIs) and HIV and said that New Zealand was interested in the results. With funding streams ceasing, including the Global Fund, she asked what process would be used to continue the work in the future.

**Marshall Islands:** Highlighted the Northern Pacific Regional Office and the North-REP (North Pacific ACP [African, Caribbean and Pacific] Renewable Energy and Energy Efficiency Project), which she said was making a big positive impact. She particularly noted how helpful it was to have an officer located in Marshall Islands and requested that SPC continue this type of approach. She thanked SPC for its help in facilitating the recent signing by Marshall Islands, Nauru and Kiribati of an agreement on their maritime boundaries, and for SDD help in census taking and other areas. She also thanked Australia for providing funding for SDD. Marshall Islands recently declared a state of health emergency relating to NCDs. A task force is being set up and the country will need technical support in this area.

**France:** Supported the request of Australia regarding the placement of the SOPAC Division's Water and Sanitation Programme, saying that it needed more review. In the area of health, she thanked SPC for its work and results during a difficult period of transition. FAME is an important division and France would like to highlight two programmes it supports: the 'Integre' project funded by the EU, and IFRECOR. France supports work in the area of gender equality regardless of where the projects are located, noting gender-based violence is a particular problem.

**Niue:** Acknowledged the signing of agreements on maritime sea boundaries and said that Niue looks forward to signing an agreement with Tonga, which is the only neighbouring country with which it does not yet have an agreement. He said that a regional framework for deep sea minerals is very important and will help countries be confident in negotiations. Niue recognised SPC's work in renewable energy. In the area of fisheries, he said it was good to see bycatch being reduced, though there is concern on the increase in fish being caught. He acknowledged SPC's work in fish aggregating devices, which has helped local coastal fishing communities. It is important to look carefully at placement of the devices, as they can attract both larger ocean-going boats and canoes, which can create a dangerous situation. Niue joined others in thanking the Acting LRD Director, and said that the country was looking at increasing the use of hydroponics to grow vegetables. He also acknowledged the work by SDD saying data help inform good decisions. Similarly, data on SPC's work will help inform members how SPC is doing.

**Cook Islands:** Supported the recommendations relating to the SOPAC Division. He highlighted the signing of maritime boundary agreements and noted the importance to Cook Islands of SPC's support in the area of energy. He also noted the support received from SPC in the area of health; the multi-sectoral HIV and STI strategy has reduced chlamydia prevalence in the country from 20% to 10%. However, Cook Islands is concerned about future support with the ending of support from the Global Fund.

**New Caledonia:** Was happy to see that the recent STAR meeting helped strengthen links between IRD (the French Institute of Research for Development) and SPC divisions. Research organisations in New Caledonia could be good partners for SPC, including the University of New Caledonia for CETC. The divisional presentations showed an increase in cross-cutting work and links with strategic plans and IER recommendations. She asked for more information about cross-cutting work. New Caledonia is pleased to be included in the SDD database and would like to be better integrated in SPC's climate change work. It has access to research, but policy-making support is lacking.

**USA:** Emphasised monitoring and evaluation (M&E), which is essential for US funding. He commended SPC for increasing its focus on M&E and encouraged additional efforts, including further development of the integrated reporting and information system.

**Director-General:** In response to questions from Samoa and others about CETC, he said that he understood the concerns about its future but that SPC could not control what will happen when it is shifted to USP. The youth programme will be transferred to SEPPF. In response to the question from Kiribati on the Regional Media Centre (RMC), he said an analysis will be undertaken following the meeting to determine which services and positions will remain and which would be divested. Regarding the Global Fund, he said that SPC – as well as its members – was having problems with changing requirements. With respect to the Water and Sanitation Programme, he said that the IER recommendation was to undertake an internal review of where it should be, not a full-fledged external review, but that CRGA had decided to involve the membership. The programme is not really involved in infrastructure, and therefore does not match well with the other EDD programmes. Paper 2.3 addresses this; it says that SPC has done the internal assessment and has concluded that it should stay within the SOPAC Division. He emphasised the importance of M&E for SPC and members as well as for donors. The proposal for an M&E committee in countries is a new idea that underscores the importance of the role of members. As SPC works to develop its integrated reporting and information system, he suggested that countries with experience with similar systems could second staff members to assist SPC.

**Deputy Director-General (Suva):** Responded to comments from Samoa on the SPBEA qualifications register, saying that SPC recognises the autonomy of accrediting agencies, and that the register comes in response to Forum Education Ministers' request for benchmarking to compare Pacific countries against international norms. Countries will be able to participate in a review of SPBEA and the qualifications register next year.

**FAME Director:** In response to Tuvalu's comments, he said that SPC had confirmed that the recent poisoning was caused by ciguatera, which was unusual. It had followed a seaweed bloom that had prompted SPC to warn about the risk of ciguatera poisoning. SPC is helping prepare materials to educate the public. Regarding mapping seagrass and coral reef cover, he said that SPC could work with SPREP in that area. In response to France's comments, he said that SPC recognises the importance of collaborating with IFREMER, and that marine protected areas would be discussed later in the meeting in the paper on the ocean.

**Acting PHD Director:** In response to the question from Wallis and Futuna, he explained that SPC had already been approached by the organising committee for the Pacific Mini Games on public health interventions. Interventions could be modelled on the system used in Solomon Islands for the Festival of Pacific Arts. SPC had already talked with French surveillance authorities and they welcomed cooperation with SPC for the event. SPC can also work in health promotion and prevention, notably regarding STIs. In response to New Zealand's question on the end of funding from the Global Fund and the Pacific Response Fund, he said that SPC planned to undertake an evaluation, focusing on STIs and strategic planning based on the resources available.

**Acting LRD Director:** Regarding the atoll agriculture centres in Kiribati and Marshall Islands, he said that the decision on their establishment had been made by Ministers of Agriculture and Forestry in Apia in 2008. The donors funding the programme have discussed it with countries. SPC will be

further disseminating coconut genetic resources, which at present are only stored in PNG. Regarding customary land development, which will be discussed later in the meeting, SPC had anticipated funding from the AusAID Pacific Land Programme to support countries, but this fell through. SPC is looking for other sources of funding.

**SDD Manager:** In response to Kiribati's concern about the delay in publishing the energy statistics, he said that it will not impact on the household income and expenditure study. He said that he was glad to hear that the New Caledonia wanted to be added to the database, and that it will be integrated, along with the other French territories.

## **Decisions**

### **In relation to the work of SPC's technical divisions, CRGA:**

- i. accepted the reports by the technical divisions on their work in 2012 and commended them on their excellent work and achievements;
- ii. endorsed the divisional work programmes for 2013;
- iii. noted the secretariat's intention to continue moving toward 'country by country results-based reporting' commencing with its reports to CRGA 43 in 2013;
- iv. noted the secretariat's intention to build on the STAR (Science, Technology and Resources Network) meeting concept and expand its coverage to include other divisions of SPC;
- v. noted the outcomes of the 2012 meeting of Pacific Ministers of Agriculture and Forestry;
- vi. noted the outcomes of the 2012 meeting of the Applied Geoscience and Technology (SOPAC) Division;
- vii. noted the outcomes of the internal review of the Fisheries, Aquaculture and Marine Ecosystems (FAME) strategic plan, the minor revisions to objectives that have been approved by Heads of Fisheries, and the indicators now used to measure progress;
- viii. noted that the Public Health Division will develop a new strategic plan in 2013;
- ix. noted progress made by the Statistics for Development Programme during 2012 in developing economic, vital and education statistics and sectoral statistics, and efforts being made to assist Pacific Island countries, and territories starting in 2013, to improve their administrative databases and management information systems in key sectors.

## **AGENDA ITEM 2.3 – IMPLEMENTATION OF THE RECOMMENDATIONS OF THE INDEPENDENT EXTERNAL REVIEW**

*The meeting considered the outcomes of the Special Session of CRGA which met in August 2012 to deliberate on the recommendations of the independent external review (IER) of SPC.*

**Director-General:** Noted the paper was an update on the implementation of the IER recommendations, most of which were approved by the special session of CRGA in July. The paper showed which recommendations were already implemented and those to be implemented before the end of 2012, in 2013, etc. SPC had accepted the recommendation to rename EDD as the Infrastructure Division, but its analysis on possibly moving the Water and Sanitation Programme to EDD showed that the programme's work was mostly not related to infrastructure and so it should stay in the SOPAC Division. Regarding its culture and human rights programmes, SPC found that there was no organisation that could take on this work immediately. The secretariat therefore asked CRGA for guidance, noting that if they left SPC now, they would be stand-alone programmes. The secretariat leaned towards keeping them in SPC.

**Chair:** Noted that SPC's ability to complete the reforms depended in part on reform of its funding.

## Discussion

**FSM:** Requested clarification on the transfer of CETC to USP, noting seven SPC members are not USP members. Will they be able to access the programme? FSM appreciated the Director-General's decision to retain the Culture Programme.

**France:** Joined others in congratulating the Director-General and his staff on the work done in 2012, which was a transition year, and in congratulating the IER team on their constructive recommendations, which will improve operations and efficacy, following the RIF (regional institutional framework) reform. France reiterated that the recommendations must be approved at this CRGA. The important points were strengthening of SPC's governance, and strengthening the Noumea headquarters following the RIF reform. France supported bilingualism for meetings and everyday business. All staff should have a passive knowledge of one of the two languages and an active knowledge of the other. France thanked the Director-General for the balanced budget but hoped there will be a long-term strategy as the current structure makes it difficult to plan resources. France would pay particular attention to SPC's efforts to link results to each line in the budget. It was important to have a budget based on the needs of the countries.

**New Zealand:** Thanked the Director-General on the constructive approach and progress on the implementation of the IER recommendations. New Zealand was pleased to see the approval of the increase in island member contributions. Regarding multi-year funding and conversion of project funding to core funding, New Zealand's response would be contingent on further reform and linking core funding to core staff and results, so that it could tell what its funding was purchasing. New Zealand asked when the proposed Programme and Funding Committee would meet, and asked for some clarification on item 8 h.

**French Polynesia:** Thanked the Director-General and staff for the quality of their work. French Polynesia was concerned that, at the special session, some recommendations were said to have been accepted when in fact there was some opposition that was not recorded. Regarding the increase in contributions from member states, French Polynesia thought the calculated formula should take into account the fact that the status of many Pacific Island countries and territories (PICTs) has undergone major change over the last ten years. He suggested that the consultant who will be engaged to review host country contributions look into this.

**New Caledonia:** Congratulated SPC on the IER response and audit results and supported the comments by France and French Polynesia regarding formally accepting the recommendations at CRGA 42. The RIF reform upset the equilibrium of staff ratios in headquarters and other offices. New Caledonia would like to see it restored and thought the IER recommendations strengthened the headquarters. New Caledonia will support the renovation of the headquarters over the next three years and has started a feasibility study for a new building that will house more staff. New Caledonia also supports the strengthening of SPC's internal governance, which is addressed by several recommendations, such as the increase in core funding and the establishment of an M&E system.

**PNG:** Thanked the Director-General for the update and congratulated SPC on what has been achieved so far, which makes for a new, innovative SPC.

**Australia:** Congratulated SPC on progress so far and said Australia was happy to discuss moving funds from project to core and resuming multi-year funding. Australia accepted all the recommendations in Paper 2.3.

## Decisions

CRGA:

- i. confirmed the outcomes of the Special Session of CRGA held in August 2012;

- ii. commended the secretariat on its positive response to the review's findings and recommendations;
- iii. noted the good progress made in implementing the recommendations of the IER in 2012 and further noted the outputs expected to be achieved in 2013;
- iv. acknowledged that successful implementation of all the recommendations will require funding at the new level recommended by the IER to be provided within the stated timeframe;
- v. commended Pacific Island members for agreeing to increase the total of their collective assessed contribution by 500,000 CFP units in SPC's 2013 financial year, and commended SPC's host members for agreeing to work with the secretariat in 2013 on the host grant issue;
- vi. thanked SPC's metropolitan members for their willingness to consider various funding modalities including an increase in their assessed contributions and conversion of programme or voluntary funding and project funding to help the secretariat reach the proposed new core funding level of 35 million CFP units by 2015.

### **AGENDA ITEM 2.3.1 – REPORT FROM THE CHAIR OF THE CRGA AUDIT COMMITTEE**

*The newly established CRGA Audit Committee met for the first time on 19 October 2012 at SPC headquarters in Noumea and reviewed the charters approved by CRGA 41 and the 7<sup>th</sup> Conference. Some aspects of the charters will be modified to bring them into line with best practice.*

**Audit Committee Chair:** The IER endorsed the establishment of an Audit Committee and CRGA identified the need for such a committee. It exists to support the governance responsibilities of CRGA and to provide CRGA with the confidence that SPC activities are being conducted with diligence and are of the highest standards. It also exists to support the management of SPC in identifying financial and non-financial risks and putting in place protective measures. The Audit Committee has discussed options for internal audit and noted that effective implementation of this work will require capacity and expertise within SPC that it currently does not have. The Audit Committee decided that its first priority is to develop a framework for compliance auditing. Effectiveness and efficiency are closely related to M&E and an audit / risk process combined with M&E will ensure that all areas are addressed. The recommendations in Paper 2.3.1 are intended to harmonise the work of the Audit Committee with that of the external audit.

**Chair:** Suggested that as there were no objections, the recommendations could be accepted.

**New Caledonia:** Moved to accept the recommendations.

**Nauru:** Supported the move.

#### **Decisions**

CRGA:

- i. approved the change in the name of the committee to CRGA Audit and Risk Committee;
- ii. approved the appointment of the Director-General of SPC as an ex officio member of the committee;
- iii. noted the formal establishment of the full committee on 9 October 2012;
- iv. approved the change in the tenure of committee members to three years, covering the full calendar year cycle, noting that the term of the first committee commenced in October 2012 and will conclude on 31 December 2015;
- v. agreed that the chair will be independent and will report directly to the chair of CRGA; and

- vi. directed the secretariat to make the necessary modifications to the text of the Audit Committee Charter to reflect the decisions as approved by CRGA.

**AGENDA ITEM 2.4** – *Discussion of Paper 2.4 was deferred until after agenda item 6.2*

### **AGENDA ITEM 3 – REGIONAL ENGAGEMENT POLICY AGENDA**

#### **AGENDA ITEM 3.1 – MAXIMISING BENEFITS FROM OUR OCEAN**

*SPC provides scientific support for the responsible use and conservation of the Pacific Ocean. SPC programmes are increasingly taking a cross-cutting approach, working together and with partners, to help members achieve sustainable benefits, including in fisheries, maritime transport, establishment of maritime boundaries, and potential exploitation of deep-sea minerals.*

**SOPAC Director:** At the Rio + 20 meeting, the text of the declaration, *The Future We Want*, devoted a lot of space to oceans. The Pacific presented a strong argument. At the Pacific Forum Leaders' meeting, the Prime Minister of Cook Islands chose as the theme of the meeting, Large Ocean Island States. He said one of the key issues in the context of governance is that we understand the concept of sovereignty in connection with maritime boundaries. At the Forum meeting, eight new bilateral treaties were signed, a relatively small number considering how many boundaries there are. Without them a country cannot prosecute people carrying out illegal activities in its exclusive economic zone.

Concerning hydrographic surveys, the SOLAS Convention requires countries to have up-to-date charts and insurance companies set strict requirements. Many PICTs need new charts to comply, and the SOPAC Division has been providing assistance with this.

Deep-sea mining for minerals now has a high media profile, as many PICTs are interested in exploiting this resource.

The Ocean and Islands Programme is working in the area of coastal vulnerability in Lifuka, Tonga. This is a multi-disciplinary study, implemented by SPC's Human Development Programme, Ocean and Islands Programme and Water and Sanitation Programme in collaboration with Tonga's Ministry of Environment and Climate Change. The work concentrates on gathering data and providing technical and scientific advice to help Lifuka manage risks.

**FAME Director:** The western and central Pacific tuna fishery is the world's biggest tuna fishery, worth, last year, USD 5.5 billion. There has been a steady growth in the size of the catch, and the fishing effort too has increased. He said the region must not overexploit its tuna resource, as has happened elsewhere. Bigeye tuna are subject to overfishing and other stocks are at historically low levels. Management measures needed to be based on sound science.

Another matter of concern was the amount of bycatch and non-target species (e.g. oceanic sharks, whale sharks and other 'iconic species') that are caught along with tuna. There has been a substantial decline in populations of oceanic sharks. Discarding edible species is wasteful and potentially damaging to resources.

The Oceanic Fisheries Programme works in stock assessment, data management and fisheries monitoring, and ecosystem monitoring and analysis.

The Coastal Fisheries Programme works on a range of activities that are important for food security and rural livelihoods. There is a widening gap between resources and the needs of growing populations, and there is limited information on coastal fisheries, which get less attention and regulation than oceanic fisheries. The programme builds capacity by developing sustainable alternatives: fishing technology, economic appraisal, export facilitation and support for fishers' associations. The programme also supports aquaculture development.

**EDD Director:** The Transport Programme works in shipping and safety. It is the region's technical implementing arm of the International Maritime Organization (IMO). It works on search and rescue, which is becoming increasingly important. SPC is working on a project in this area that will eventually involve all PICTs. EDD also works with the SOPAC Division on updating hydrographic charts.

In shipping, a new association, the Pacific Islands Shipowners' Association, was formed at a recent IMO meeting on domestic ferry safety to look after the concerns of shipowners.

Shipping for small island states is unsatisfactory. It is very important but it gets little infrastructure support and there is a near cartel environment, where shipping companies are selective about where they ship to. To address these issues, SPC established the Central Pacific Shipping Commission in 2010, and this has resulted in a considerable drop in freight rates. Discussions on another such commission in the eastern Pacific are underway.

In view of recent accidents at sea, AusAID funded a Pacific Islands Domestic Ship Safety pilot project in Tonga and Kiribati. SPC began development of safety management systems and safety audits and there is a demand for this in other countries.

While offshore registries are a good source of revenue (Marshall Islands gets USD 2 million a year), they have their downsides and countries must not compromise their integrity. Tuvalu recently came under pressure from USA regarding 22 Iranian tankers flying their flag.

The Manila Amendments to the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers mean that seafarers must be trained to new standards by 2017.

Many PICTs need a higher standard of hydrographic charts and new charts as more cargo and cruise ships sail the Pacific.

EDD has a new portable simulator for simulated training for ship pilots.

**FAME Director:** The three divisions work together in several areas:

- Fish aggregating devices (SOPAC Division's hydrographic work assists with their positioning)
- Lagoon dredging in Kiribati, and environmental impact assessment
- Crewing standards and upgrading of standards
- Climate change and its effect on fisheries resources, aquaculture, fishponds

He said the interagency consultancy group was not achieving as much as hoped; it needed more resources.

**Director-General:** Noted that the examples presented of inter-sectoral cooperation were part of SPC's move towards offering integrated solutions.

## Discussion

**USA:** Acknowledged the world-class scientific support being provided by SPC in this area. In connection with seabed mining, he asked was SPC working with SPREP. And, regarding the proposed new ocean policy unit, would there be resources for it and would there be a link with the Forum Secretariat?

**New Caledonia:** The presentation was very interesting. It should be viewed in parallel with a number of workshops next year, e.g. SPREP's EU-funded project.

**French Polynesia:** All issues concerning the ocean are crucial for French Polynesia, which has the largest exclusive economic zone in the region. French Polynesia is fortunate as it can benefit from the work of the three divisions in relation to hydrographic survey, seminars on fish aggregating devices and aquaculture, collection of giant clam larvae, and shipping services. All were world-class services, especially those of FAME, which also earn money for SPC as FAME bills for some services. Regarding the policy unit, he asked how it would fit with the Forum's work in the area.

**PNG:** PNG is working with Nautilus Minerals on exploring seabed mining. PNG is taking a cautious approach to ensure it does not damage marine ecosystems. Regarding hydrographic surveys, he said two were done in his home province and the result is that they no longer have a compliant wharf because the sandbank covers it. How does SPC handle this sort of thing?

**Cook Islands:** Supported the programmes' work and has benefited from SPC's technical expertise, which facilitated work on the continental shelf and maritime boundary issues, coastal management, and disaster risk management.

**Fiji:** With regard to FAME, Fiji noted that effective conservation of our oceanic resources is part of maximising benefits from them in the long run. Fiji acknowledged the remarkable work carried out in aquaculture by FAME in assisting members individually and through subregional frameworks such as the Melanesian Spearhead Group to manage resources, particularly in inshore fisheries, as this ensures food security.

Although southern albacore tuna is not the major targeted species within the region – for now at least – it is important that FAME works in close collaboration with other regional organisations, including the Forum Fisheries Agency (FFA), through stock assessment of this particularly fishery, and that it also begins to implement management measures before market demand shifts to one particular fishery as a result of drastic declines in others.

Fiji commended the tremendous work of the SOPAC Division, particularly in the area of deep-sea mining, and more generally in the formulation of the relevant frameworks. Fiji also appreciated the division's innovativeness in collaborating with other international organisations.

**Kiribati:** The ocean presents opportunities and challenges, and SPC is addressing both. Kiribati is interested in more value-adding benefits and recently started a tuna loining venture with assistance from SPC. Kiribati is also grateful for assistance with surveillance of its exclusive economic zone, the shipping feeder service, safety issues (many islanders are rescued at sea each year), and the maritime boundary work. Kiribati commended the cross-sectoral approach in providing much-needed help to maximise benefits from the ocean.

**Niue:** It is important to get a fair return on what is caught, and Niue's exclusive economic zone is its biggest asset. Niue is concerned about illegal fishing. Surveillance is extremely difficult, and search and rescue capacity is critical. Niue is grateful to FAME for its assistance in these areas, as well as in the licensing of fishing boats. Climate change is affecting our way of living and altering our fishing patterns, and already we have seen the result – the fish-poisoning. Niue looks forward to

improvements in shipping services with SPC's assistance. When it comes to registering ships, the agreements must have all the details.

**Solomon Islands:** Appreciated the work of the three divisions and acknowledged that the area requires great expertise. Perhaps we should look at SPC as a 'one-stop shop', a voyaging canoe moving along to meet its customers and not stopping, not static. SPC should consider establishing an office to look after agreements and treaties.

**France:** Commended the Director-General and the three divisions for their innovative way of looking at issues and their cross-cutting approach. France especially commended the SOPAC Division's contribution to SPC's work. France has taken part in the bathylogical mapping programme. In the area of fisheries, France commended the FAME Director and his team's work. The area of maritime transport is a challenge for EDD. In relation to the recommendation on the policy unit, France asked what underpins this proposal?

**FSM:** Wondered how we can relate outcomes to inputs, and asked to hear more about SPC's working relationship with the tuna commission, FFA, government ministries, etc.

**Nauru:** Acknowledged the work of SPC relating to the ocean. Nauru is small and revenue from ocean resources is very important. Revenue from registering ships brings in a quarter of Nauru's domestic budget. Nauru is grateful for SPC's assistance in the feeder shipping service (it was being 'bullied' by the shipping companies), and wished to continue the work on deep-sea mining.

**New Zealand:** Requested clarification on the recommendation on the policy unit.

**FAME Director:** Regarding the proposed small policy unit, the marine sector working group and CROP agencies would work together with non-governmental organisations (NGOs) as a voluntary group. This support unit would be within the Forum Secretariat, working to provide support to the working group. Regarding FSM's query, he said FAME worked closely with all the groups mentioned and has memorandums of understanding to support management issues. It presents information and advice to individual countries.

**EDD Director:** EDD is hoping to have a search and rescue memorandum of understanding in place later this year. On the topic of ships' registries, it's important that countries understand both the benefits and constraints.

**SOPAC Division Director:** Regarding USA's comment, the division works very closely with SPREP and together they produced a lengthy document on seabed mining, an issue that requires a cautionary approach. They have also produced a brochure based on the longer document, and hope to produce more publications together.

Regarding PNG's comment, commercial mining will begin in about 12 months. A survey was carried out, but there is some concern about it as it took place some time ago.

Regarding Nauru's comment, he said the credit for the boundary work should go to Nauru. SPC would like to thank the technical groups from all countries that had worked to get the eight treaties signed.

**PNG and French Polynesia:** Moved to accept the recommendations.

## Decisions

CRGA:

- i. commended the collaborative work of SPC divisions and other partners in providing world-class scientific support to address ocean issues;
- ii. encouraged the development and strengthening of existing work and emerging new working partnerships internally and externally;
- iii. supported SPC's continuing lead role in the Marine Sector Working Group given the multi-disciplinary work across the divisions; and
- iv. supported the establishment of a small ocean policy unit to progress the necessary coordination work with global, regional and national partners.

### **AGENDA ITEM 3.2 – UNLOCKING THE DEVELOPMENT POTENTIAL OF LAND AND LAND-BASED RESOURCES**

*The meeting discussed the importance of land and land-based resources in providing livelihoods and food security for Pacific Island people and the sensitivity of the strong connection between land, including land ownership, and culture. The pressures that population growth, intensive cultivation, deforestation, unsustainable mining and mineral resource use, climate change and natural disasters are putting on these resources were noted. The meeting further discussed the role of land-use planning and land zoning in achieving sustainable development of agriculture and forestry resources and in providing for uses such as tourism, industry and mining, and SPC's efforts to support members in developing relevant policy and frameworks.*

**Acting LRD Director:** Pacific land and land-based resources are under increasing pressure because of rising population growth, intensive cultivation, climate change and natural disasters. The livelihoods of Pacific communities depend on the implementation of sustainable strategies for the management of land and land-based resources. Most of the land and land-based resources in the Pacific region are managed by customary institutions. These promote community negotiations and consensus reaching, which lead to sustainable environmental management and community resilience. However, uncertainties about ownership and difficulties reaching consensual agreement can discourage investment and the development of land-based resources. While there is significant variation in the availability and resilience of land and land-based resources across PICTs, all face the common challenge of developing land and land-based resources to sustain and promote food and nutritional security, to increase the socio-economic development of their community, and to ensure effective environmental management. Land-use planning is fundamental to achieving these objectives. It promotes the sustainable development of not only agriculture and forestry resources, but also secondary uses such as tourism, residential zoning, industry and mining. It provides certainty to both public and private stakeholders, while encouraging greater sustainable management. For these reasons, land-use planning should be considered a primary policy tool for the sustainable development of land and land-based resources in the Pacific region.

## Discussion

**FSM:** Are there elements supporting land valuation and assessment, especially relating to regional and interstate land transactions?

**Cook Islands:** The pilot programme implemented on Rarotonga has been very valuable to Cook Islands. The country has a land zoning act dating from 1969, but no government has taken on the issue since, as it is very complex. Protecting the water supply is important, so no development is allowed in areas that feed into the watershed. Much valuable land is devoted to cemeteries – more people are looking at cremation even though it is not the tradition.

**Fiji:** Mainstreaming of gender- and youth-related issues is very important for this issue. Fiji agrees with Cook Islands regarding cremation – it can be hard to discuss but it is important for Fiji too.

**Kiribati:** Kiribati has very limited land and high population density. Kiribati supports the recommendations and SPC's services in this area. SPC's LRD is working closely with the Government of Kiribati, providing guidance for land-related activities. This is reflected in the JCS being developed. Kiribati requested that its 2<sup>nd</sup> generation JCS be completed before the end of the first quarter of 2013.

**PNG:** Supports a whole-of-government approach to land use planning for future development. Genealogical studies need to be done to determine if those who claim to own land are truly the owners according to traditional practices. Mainstreaming gender- and youth-related issues is a difficult task. There is a rising population of landless youth in urban areas. There was study by Padma Lal years ago in big Melanesian countries on land use management and conflict resolution – SPC could refer to it perhaps. We have all the institutions necessary to settle conflicts, but they are useless unless we determine who the owners are. A new issue is 'front loading' – in which groups want to know what upfront benefits they will get if they surrender all rights over the land.

**New Caledonia:** Called the attention of CRGA to the area of mining and the resulting impact and pressure on land, which he pointed out is a concern in New Caledonia as well as in PNG, Fiji, and other countries. Two experiences in New Caledonia could be helpful – one is that of the SIC (Société Immobilière Calédonienne), which found a way to build housing on custom land without causing difficulties. Perhaps collaboration could be envisioned between SPC and SIC on this topic. The other experience that could benefit other members involved custom officials transcribing oral speeches and traditions, which helped facilitate development in agriculture and aquaculture.

**Australia:** Supported PNG's comments on the sensitivity around issues of land use planning and zoning and suggested rewording the recommendations to reflect that.

**Niue:** Land is one of the biggest assets in Niue. The country undertook a land titling project with the goal of enabling families to title land for economic development. Many land cases had split families apart. As PNG said, land boundaries are informal and based on genealogy. This project led in some cases to a situation that should not occur – owners who reside overseas. The law was changed to say that the owner must reside on the island. Another issue was that some judges came from New Zealand and were not familiar with Niue's traditions – they were therefore trained in local approaches. The law allows the government to take land, but it has never used that power, always preferring to negotiate. Families are now realising the value of their land. Does SPC have expertise in land valuation?

**Samoa:** Supported Australia's suggestion. Could SPC expand its work in strengthening policy and legislative frameworks? Samoa is undertaking major land reform. It has established a land reform commission, but that is causing concerns among people. Samoa needs to look at its legislative framework.

**Director-General:** The issue is indeed very sensitive, and SPC does not want to be seen as driving the agenda; it should be a national issue. The recommendations can be reworded to show that.

**Acting LRD Director:** LRD does not have valuation capacity now, but perhaps could in the future. He thanked Cook Islands, New Caledonia and Niue for sharing their experiences. In response to PNG's question, he said that Padma Lal had worked on a land conflict minimisation project, and there was to be a project with funding to come from the AusAID Pacific Land Programme, but the funding did not come through. SPC had developed a proposal to try to obtain funding for the project. SPC aimed to support countries in making good decisions, not to push them in any particular direction.

## Decisions

CRGA:

- i. noted the challenges that Pacific Island countries and territories face in developing their land and land-based resources; and
- ii. recognised SPC's work in support of land use planning, and its engagement in strengthening the policy and legislation frameworks needed to undertake such planning at national level.

### AGENDA ITEM 3.3 – PROVISION OF CLIMATE CHANGE RELATED SERVICES

*The secretariat stressed the need for coordination between all partners involved in supporting the region's responses to the emerging impacts of climate change, while recognising SPREP's lead role in the sector. SPC is increasingly adopting programmatic approaches encompassing various project activities across multiple sectors, but for this approach to succeed, governments, regional organisations and development partners must be willing to work in partnership.*

**Senior Climate Change Advisor:** SPC's integrated programmatic approach (embedding climate change in existing sector programmes) is efficient and provides greater budget flexibility. SPC is moving toward a more integrated package of services. An example is the pilot project in Choiseul Province, Solomon Islands, a watershed-based approach integrating health, agriculture and other sectors. The bottom line is that there is willingness to take this approach, but it requires a lot of time and effort and therefore it is not common yet; it requires donors and national/regional programmes to be onboard, which is difficult to achieve. SPC has made progress over the last year since the strategy was endorsed – technical support has increased and internal coordination is better. Also, national-level coordination is advancing, with the appointment of national coordinators, as are regional coordination and partnerships. In addition, an emissions inventory was completed. The results showed that including travel, SPC's emissions are around 4000 tonnes – about equivalent to those of Niue.

## Discussion

**Tuvalu:** This is an important matter for Tuvalu as a low-lying country. The country completed its climate change policy this year. The policy focuses on national adaptation and integrating climate change response into the national development strategy. Tuvalu has several projects relating to climate change implemented by different organisations. Tuvalu is thankful to donors for their help and to SPC for its assistance in securing funding.

Tuvalu has problems accessing funding. Once it has identified a project as necessary, it is still hard to get the funding. When SPC and other organisations facilitate this process, it is hard to understand the fee that Tuvalu is charged. While it is understandable that organisations need some funds to pay for administrative costs, these sometimes seem to be too high, which raises concern in Tuvalu. Tuvalu requests that regional organisations take that into account and that donors fund projects designed by the countries concerned, as these are based on people's traditional ways of adapting.

**USA:** Backed Tuvalu's comments and saluted SPC's engagement in climate change. USA agreed with the Senior Climate Change Advisor regarding the challenges; one big one is absorptive capacity. USAID is a partner in the Choiseul project, and is also funding a Bangkok group called ADAPT that is facilitating access to funds. He was glad to see the word 'services' in the title of this agenda item – climate change services can also mean long-term forecasting (i.e. 6 months in advance), which can help planning for rainfall collection or for the agricultural sector. This is a new area that is fundamental to climate change adaptation, and it is unused in the Pacific. He encouraged SPC to explore it. He also noted that there would be a discussion forum at USP next year that would include the US National Oceanic and Atmospheric Administration (NOAA), AusAID, and EU.

**Kiribati:** The impact of climate change covers the whole spectrum of development. A holistic approach is required, and Kiribati is taking a ‘whole-of-country’ approach, involving communities and NGOs. Another challenge is accessing funding; Kiribati appreciates the help from SPC in this area. Kiribati thanked SPC for its assistance in developing its climate change adaptation framework. The country’s disaster reduction management plan, developed with help from SPREP, was also endorsed recently by cabinet. Now Kiribati needed an action plan to integrate the two and would be asking SPC for assistance in this area. How does SPC work with SPREP in terms of helping countries access funding for climate change impact?

**Cook Islands:** Cook Islands is the second Pacific Island country to complete a joint national action plan for climate change adaptation and disaster risk reduction, including renewable energy (Tonga was the first). Cook Islands has signed an agreement for the EU Global Climate Change Alliance (GCCA) and will have a national coordinator; however, this is only a two-year programme. Cook Islands agreed with the recommendations except the one that referred to ‘one approach’; more information was required regarding how SPC and SPREP will coordinate their work before Cook Islands could support that. Regarding the new Australia-funded Pacific Adaptation to Climate Change (PACC) project – he asked for more information regarding the areas of assistance, as it appeared that Cook Islands was only included in one of the three areas.

**FSM:** This is a regional security issue – the SPC climate change engagement strategy needs to be translated into an implementation plan with costings, timelines and duties for a range of stakeholders. Current attitudes are pessimistic; we’ve done a lot but we are not going anywhere. In the meantime some islands are being submerged. We need a change of course compared to the last 10 or 20 years.

**RMI:** It is important to coordinate climate change action at the national level and presence on the ground; this improves outcomes. RMI undertook a recent evaluation with UN agencies – the result was a matrix showing different programmes from different agencies and the funding available. If SPC, SPREP and other CROP agencies could do a similar joint matrix it would be better.

**Niue:** Supported the views expressed on joint national action plans. Niue has limited capacity to coordinate and implement such plans. Niue acknowledged the help from CROP agencies and the assistance from projects in renewable energy.

**Senior Climate Change Advisor:** Many comments mentioned the relationships and roles of CROP agencies – particularly SPREP and SPC. The two organisations have improved their coordination. They work together on missions and joint national action plans, and they are working on a matrix with other CROP agencies. The coordination will become more evident as activities are implemented. In response to Tuvalu’s comment, he agreed that it is an important issue – organisations always have overhead costs, and SPC tries to keep them as low as possible. For the GCCA project, over 80% of funds went to on-the-ground activities, about 8% to management and the rest to communication and other project costs. He thanked USA for its comments and said that SPC and SPREP would be involved in the discussion forum mentioned. He agreed with FSM that an implementation plan with costings, etc. was needed, as well as a long-term strategic approach to planning. SPC and SPREP should have a comprehensive matrix next year.

**Director-General:** SPREP is the lead agency for climate change, working on policy advocacy, coordination, and representing the region in outside forums, while in-country work relating to adaptation was SPC’s area. SPC was integrating climate change into the various sectors in which it worked. The Forum Secretariat works in the political arena, and SPC concentrates on on-the-ground activities, working toward helping countries design their own projects.

## Decisions

CRGA:

- i. noted that an integrated, multi-sectoral approach to climate change adaptation offers many advantages, including the potential to enable countries to more effectively absorb increased flows of climate change resources and also reduce the management and coordination burden they currently face;
- ii. welcomed SPC's integrated 'one-team' approach as an effective service delivery model for addressing climate change and noted that the secretariat will continue to work with members to develop national-level multi-sector programmatic approaches;
- iii. encouraged development partners to support the move towards programmatic approaches to providing climate change support to countries and territories and to partner with others to jointly fund integrated, sector-wide adaptation programmes; and
- iv. noted that a range of potential climate change financing modalities are emerging that may be suitable for funding such approaches, such as direct budget support at the sector/national level, and national trust funds.

### AGENDA ITEM 3.4 – REDUCING AND MANAGING RISKS FOR BETTER DEVELOPMENT OUTCOMES

*Recognising the vulnerability of PICTs to risks, not just from climate change but across all aspects of day-to-day business, the secretariat outlined the need to develop better understanding of risks by measuring and monitoring them over time; to share the resulting knowledge with communities; and to provide integrated multi-sectoral solutions based on technical and scientific information.*

**SOPAC Division Director:** The focus is on the word 'risk'. Regardless of its cause, there is risk across all sectors of development. Addressing risk is a topic for the whole of SPC, and 'no matter what your take is, we're all in it together'.

We must first understand risk and the first step is to gather data, which is captured in a database. The information needed is varied and comes from many sources. For example, for the Lifuka project, scientific and technical data were gathered and data were also gathered from the community. People were asked about the cause of coastal erosion and possible solutions.

Where does SPC have a comparative advantage? It is when two or more divisions come together and cover many sectors and provide integrated solutions aimed at helping PICTs reduce risks. For example, the SOPAC Division and PHD collaborated on water security, drought forecasting and health issues.

**Director-General:** Stressed the benefits of SPC's ability to achieve cross-sectoral coverage.

## Discussion

**Cook Islands:** In Cook Islands the theme is: 'Reducing vulnerability, building resilience'. Cook Islands commended the SOPAC Division's work regarding the Muri Lagoon.

**Solomon Islands:** Expressed appreciation of the SOPAC Division's work, saying it is up to the country to request assistance, and SOPAC had always responded, and done so very well.

**Kiribati:** Expressed gratitude for SPC's technical assistance in this area. Technical information is very important for people making decisions on managing risk. Kiribati looked forward to more.

**RMI:** Thanked SPC/SOPAC Division for the assessment of the fuel depot terminal.

**Fiji:** Requesting that the wording of one of the recommendations be changed to refer to **unacceptable risk** rather than acceptable risk.

**Chair:** The drafting committee would look at the wording. Subject to this change, he asked if the meeting accepted the recommendations.

The recommendations were accepted.

## **Decisions**

CRGA:

- iv. agreed that PICTs, with the support of SPC, need to take serious steps to integrate risk management analysis and planning approaches into all aspects of their development planning strategies;
- v. strongly encouraged PICTs, with the support of SPC, to approach risk management in development by determining the level at which risk becomes unacceptable to their communities and basing the development of response strategies on this; and
- vi. directed SPC to continue to provide well-informed, inclusive and integrated technical information to members to help them address risks at all levels and across their whole development agenda.

## **AGENDA ITEM 3.5 – ACHIEVING BETTER HEALTH OUTCOMES**

*The prevalence of NCDs (non-communicable diseases) in Pacific populations has reached crisis point and SPC has strongly supported regional and national efforts to reduce the incidence of these diseases and communicable diseases in Pacific populations. Acknowledging that a multi-sectoral approach is required to achieve improved health outcomes, SPC places emphasis on addressing the wider determinants of health, including political, economic, cultural and social determinants, and – inside the health sector – continues to provide support for strengthening health systems and improving the efficiency and effectiveness of health interventions and health surveillance systems. The Public Health Division’s new strategic plan, to be developed in 2013, will include a multi-sectoral approach and will also consider the positioning of programme resources.*

**Director-General:** Noted:

- There have been major shifts in the health status of Pacific Islanders in the last two decades.
- NCDs are on the rise and have reached crisis point.
- There is a higher prevalence of communicable diseases.
- We are at greater risk from zoonotic diseases.
- There are not enough veterinary surgeons.
- Many health systems are struggling.
- Pacific health ministers identify NCDs as the region’s highest priority.
- While, on a global scale, our health status is reasonably good, PICTs have a triple burden – infectious diseases, non-infectious diseases and inadequate resources.
- Modern technology benefits only a few; the health status of a country’s population is closely aligned to its socio-economic circumstances.
- Many of the solutions lie outside the health sector, including the necessary investments to reduce NCDs.
- ‘Best buys’ include legislation, such as levies on cigarettes.
- The level of education is a big factor.
- We need health-specific strategies.

## Discussion

**New Caledonia:** Agreed that a multi-sectoral approach to health is very important. He noted with concern that while the Public Health Division is clearly hosted in Noumea, over half of its staff are located in Suva. New Caledonia proposed a recentralisation of the division in Noumea. Referring to the discussion on evidence and information for policy and action in the Public Health Division paper (CRGA 42 Paper 3.5), he noted data do exist in the region, and encouraged the division not to lose sight of previous work and achievements.

**Niue:** Noted the concerns of small island states regarding the NCD crisis in the region. NCDs have a large economic impact, causing 75% of deaths of working age people. Niue is focusing health policy on NCDs, while taking into account the flow-on effects on families. Placement of Public Health Division resources needs to be considered carefully, especially relating to the cost of service delivery.

**Cook Islands:** Provided an update on NCD reduction activities in the country.

**Australia:** Supported the focus on a multi-disciplinary approach in the health sector, as this aligns with the AusAID regional health programme. Australia's focus is largely at the bilateral and national level (90%), so this discussion of how to define regional public goods and how SPC fits into health initiatives at the regional level was very important.

**New Zealand:** Supported the multi-disciplinary approach, and asked how SPC would spearhead the approach.

**Director-General:** Responded that the new PHD Director will, as a primary task, look at the division's structure and service delivery modalities. He noted that while an increase in taxes is a proven way to mitigate NCDs, it can have flow-on implications for families. PHD will take these into consideration when advocating NCD strategies.

**USA:** Asked if there are direct health outcomes linked to appropriating 5% of GDP to health as referred to in the paper.

**Director-General:** A facet of SPC's regional role in a multi-sectoral approach is to ensure that all PICTs are supported, especially those not covered under bilateral agreements. SPC will begin implementing the multi-sectoral approach by addressing the issues within the organisation, then it will broaden this to other agencies and ministries. He noted that many countries already have a multi-sectoral approach to health. The regional political declaration regarding the NCD crisis has had a slow uptake at the national level, so SPC will work on advocacy. He clarified that a 5% of GDP expenditure on health is the minimum level defined by global targets.

## Decisions

CRGA:

- iv. noted that the health sector in many PICTs is under-resourced and they struggle to provide effective, high-quality health services to their populations;
- v. acknowledged that many solutions exist outside the health sector and encouraged governments and administrations to consider a 'whole of government, society, and country' approach to achieve better health outcomes, including devoting sufficient resources to health; and
- vi. welcomed the intention of the Public Health Division to focus its new strategic plan on addressing both the non-health and health interventions that will help PICTs achieve better health outcomes.

### AGENDA ITEM 3.6 – PUTTING A HUMAN FACE TO DEVELOPMENT

*SPC supports a people-centred approach to achieving sustainable development outcomes through its programme interventions, including mainstreaming gender and youth issues across divisions and programmes. The meeting discussed the critical importance of gender equality in sustainable development and acknowledged Australia's generous support of this goal as well as its support for those living with disability.*

**Deputy Director-General (Suva):** A people-centred approach, rather than one based on economic growth alone, puts people at the heart of development. It focuses on increasing people's opportunities and enabling them to live healthy lives, and have a good standard of living, access to knowledge and the ability to have a say in decisions that affect them. In the Pacific region, this approach is recognised as an important means of achieving well-rounded development and reducing risk. Economic growth in the region remains uneven, and even when it does exist, economic growth does not necessarily lead to poverty alleviation.

Human security is about protecting the rights of individuals and communities to enjoy safe and secure environments. Human security in the Pacific is threatened by conflicts and the impacts of unsustainable harvesting of natural resources, as detailed in the SOPAC Division paper.

Young people are disproportionately affected by the challenges the region faces, and must be an integral part of finding solutions.

Women are essential elements of change – political, social, economic, environmental – and investing in women's empowerment is not only valuable in itself but will also contribute to economic growth and overall development. With the gender leadership function moving to SEPPF, the organisation's gender mainstreaming role will be strengthened, ensuring that a gender focused approach is implemented by all SPC technical programmes.

There will also be a focus on incorporating cross-cutting issues such as human rights, culture and disability in planning processes. Timely availability of accurate data on human development is still a challenge in many PICTs and this undermines planning capacity. Issues of culture, gender, youth and human rights are generally low priorities on national development agendas, tending to be treated as 'women's issues' rather than economic and social concerns with critical connections to ensuring good governance, food security and climate change adaptation.

To institutionalise a people-centred approach to development, a systematic approach is necessary. SPC will work with members through the joint country strategy process to provide the analytical support required to enhance decision-making that puts a human face at the centre of development.

**Australia:** Our Prime Minister recently announced the AUD 320 million initiative, Pacific Women Shaping Pacific Development, and Australia looks forward to working with national governments on this. Australia also helps the poorest of the poor, i.e. the disabled and congratulated SPC and RRRT for great work.

**Niue:** Has a high percentage of women in top positions. The government is currently discussing the Family Bill. Our biggest challenge is keeping our youth.

**Chair:** Noted the meeting accepted the recommendations.

## Decisions

CRGA:

- i. agreed on the importance of putting a human face at the centre of all development planning and the benefits of including this focus in national strategic planning processes within government; and
- ii. noted SPC's intention to provide members with information and other analytical support to enable informed decision-making on integration of the human face in development work.

### AGENDA ITEM 3.7 – TRACKING DEVELOPMENT PROGRESS

*The content and functionality of SPC's National Minimum Development Indicator (NMDI) database has been expanded to provide data users with easy access to development statistics and indicators across key sectors, as asked for by Pacific Leaders in the Pacific Plan. There are several issues constraining regular production of quality and timely statistics. The steps proposed to broaden the scope and use of the SPC NMDI database include attempting to fill existing data gaps, expanding geographic coverage including MDG indicators in territories, addressing emerging demands for cross-sectoral indicators, e.g. in food security and climate change, and training users to use the system.*

**Statistics for Development Programme Manager:** The focus of the NMDI database is on outcome indicators, describing the results of discrete activities and development practices. He described the challenges constraining the regular production of quality and timely statistics, and their use in decision-making and planning. He proposed some actions to address these constraints, and outlined the next steps for broadening the scope and expanding the use of the SPC NMDI database.

**Wallis and Futuna:** Requested inclusion in the very valuable NMDI database.

**SDP Manager:** Explained that the Millennium Development Goals (MDGs) were the primary focus of the NMDI database, and reassured members that the French and US territories would be included in the next phase of the database expansion.

*Note: As recommended by the IER, the Statistics for Development Programme became the Statistics for Development Division in December 2012.*

## Decision

CRGA:

- i. recognised that the National Minimum Development Indicator (NMDI) database provides a valuable resource for members; and
- ii. acknowledged the collaborative work undertaken by SPC's Statistics for Development Programme, its sister divisions and other key technical and financial partners to seek a sustainable future for evidence-based policy development, planning and tracking of development, based on high-quality, real-time statistics and indicators.

### AGENDA ITEM 3.8 – MEASURING ORGANISATIONAL PERFORMANCE

*In 2012, SPC has progressively rolled out a new corporate monitoring and evaluation (M&E) framework to enhance management for development results and improve accountability reporting to members and donors. An online integrated reporting information system (IRIS) being developed by the secretariat will provide an interface for accessing M&E information. The meeting discussed the*

*potential benefits of the framework in supporting organisational effectiveness, the need for robust M&E plans to be attached to divisional and programme plans, and the need for the framework to be linked to the joint country strategies. The benefit of both qualitative and quantitative reporting in building a more complete picture of impact at national level was also discussed.*

**Planning Advisor (Monitoring and Evaluation):** Over recent years, SPC has been working to improve results-based M&E reporting to members and development partners. SPC is implementing a new corporate M&E framework in order to enhance management for development results and improve accountability reporting to members and donors. She gave a demonstration of how IRIS works. It gives:

- country-specific reports of national work for each PICT, and subregional work benefiting each PICT;
- summaries of regional work;
- summaries of training provided to PICTs;
- outputs listed by donor and project; and
- summary charts showing distribution of staff time by programme objectives and regional service category.

SPC will improve and refine the framework based on feedback.

**Director-General:** Said that to justify the trust of development partners, SPC needed to show results. This was one of the three highest priorities. He acknowledged the work by staff to develop the system.

## **Discussion**

**Cook Islands:** Expressed support for the recommendations. He agreed with the Director-General: for this work you need dedicated staff and baseline data.

**Marshall Islands:** Thanked SPC for the work and acknowledged its importance and the need for staff capacity. He supported the recommendations.

**Solomon Islands:** Our number one challenge is having a mass of information that is not organised. Here we see the ability to convert information to something we can immediately use. We appreciate this very much and support the recommendations, with one change; it is important to measure from the supply side, the impact side. He asked if there were links to the MDGs.

**Kiribati:** Thanked SPC for the work in this area, saying it was important to know the impact of country-level programmes on meeting development goals, and donors would be glad to know how their money is being spent. Kiribati supported the recommendations and hoped there will be an injection of resources to continue the work.

**Australia:** Congratulated SPC on excellent progress. Australia was pleased to see that the framework addressed issues such as organisational effectiveness. This was important in underwriting Australia's intention to move funds from project to core. Australia agreed with comments already made about the need for information on impact and would comment further on the paper later. Two questions: Did IRIS include staff salaries in costing? And how resource intensive was the system to maintain?

**New Zealand:** Noted and was encouraged to see the importance paid to results and the progress that had been made to strengthen M&E and results-focused reporting. It was good to see that a common approach, used by others, had been developed and that the principles of managing for development results were central. An effective results framework will support accountability, communications, learning and decision-making needs – internally and for external stakeholders.

It was worth noting that this type of results framework had a tendency to focus on what is easily quantifiable and measurable, so it was important to capture qualitative results information also. This

may be through the formal corporate results framework or through other mechanisms such as project monitoring or evaluations. This will greatly assist in ‘telling the results story’ of how SPC outputs are contributing to long-term outcomes or impact.

**Niue:** Thanked SPC for the work to date. This framework would be critical for reporting to countries and donors.

**FSM:** Reiterated the comments made by colleagues, especially on the excellent presentation and support for the framework.

**Fiji:** Fully subscribed to the objectives of the paper in general and of IRIS in particular. She particularly liked the Overview Results Framework of the FAME M&E report and how Tier 1 began with capturing the impact (ultimate benefits for PICTs), thus ensuring that all involved, be it SPC, partners or PICTs, had the same end in mind.

Tier 3 (Outputs) and Tier 4 (Processes/Inputs) are under the direct control of the SPC division responsible for the programme.

Tier 1 (Impact) and Tier 2 (Outcomes) are only within the influence of the SPC division responsible for the programme, but the division has the opportunity to work with PICTs/Pacific communities themselves and the other co-producers of the services on the ground to strengthen and tailor the necessary capacities that will steer the results towards the intended outcomes and impact of these programmes. In this way there is joint accountability for the success of the programme.

Lastly, the intended impact of these programmes must be derived from the national development strategies of PICTs themselves to ensure PICTs’ total ownership of them and accountability for them. This is especially important in the final three years of the MDGs. IRIS should help PICTs towards that. Given the importance of this initiative, Fiji fully supported all of the recommendations.

**Vanuatu:** Congratulated SPC on the initiative and supported the recommendations.

**New Caledonia:** Thanked SPC for the work on developing this innovative tool. It met the requirements of countries and donors. Using common criteria, it also allowed comparison. On the need for more staff, was this a temporary or long-term need?

**France:** Acknowledged the work on developing IRIS and urged SPC to continue its efforts to get the funding to roll the system out to all divisions.

**French Polynesia:** Said that all M&E work should be budgeted from the statutory budget, not project funds. A constant budget should be set up year after year. French Polynesia hoped that the increase in the country contribution would cover the increase in staffing.

**Planning Advisor (Monitoring and Evaluation):** In response to the query from Australia, she said that estimated staff salaries were in a separate column. They will eventually be incorporated. The IRIS tables are connected to the JCSs and IRIS can track cross-cutting issues such as food security. In response to the question from New Caledonia, she explained that most staff will be permanent.

**Director-General:** Confirmed that SPC will lock in permanent sources of financing for M&E in the divisions and SEPPF budgets.

**Chair:** Noted the recommendations were adopted.

## Decisions

CRGA:

- i. emphasised the importance of M&E and directed the secretariat to further strengthen M&E and results-focused reporting;
- ii. commended the progress made by the secretariat in implementing its corporate M&E framework;
- iii. acknowledged that the M&E framework is a significant step towards meeting CRGA's needs in terms of results-focused reporting;
- iv. noted that sustainable resources were required to fully implement the corporate M&E framework across the organisation within the timeframe envisaged.

### AGENDA ITEM 4 – CORPORATE PLAN 2013 – 2017 (DRAFT)

*The secretariat presented the draft corporate plan for 2013–2017, which will succeed the current plan for 2007–2012. The plan incorporates the strategic direction recommended by the independent external review and endorsed by CRGA 42, including the need to focus on an M&E framework that meets the needs of members and development partners for results-based reporting. It takes into account the changes that have occurred in the organisation during the life of the current plan, including the RIF reform, which expanded the scope and coverage of SPC's work, and its increasing role in addressing cross-cutting priorities such as climate change. The new plan provides a basis for establishing clear linkages between SPC's joint country strategies, divisional plans, budget, and monitoring and evaluation framework.*

**Director-General:** The key objectives of the new corporate plan are to enhance effective service delivery to island members, to quantify and report results, to build strategic alliances at all levels, and to improve the strategic positioning of the organisation. The three key development outcomes (sustainable economic development, sustainable human and social development, and sustainable natural resources development) give structure to the plan, and reporting for each division and each goal will be against the three. With respect to financing, a long-term sustainable financing strategy must be part of the plan, including shifting away from programme funding toward core and project funding. SPC hopes for an increase in assessed contributions from metropolitan members (from about 8 million to 10 million CFP units) as part of the plan to get to 35 million CFP units in core funding as recommended by the IER. And of course the conversion of project funding to core funding by metropolitan members will be key to attaining that goal. He noted SPC was looking for feedback and guidance from members on the plan before 6 January.

## Discussion

**PNG:** Supported the recommendations. PNG would support the plan as it evolved. The emphasis on governance and accountability was appropriate. Divisional plans must relate to the corporate plan and JCSs. Regarding sectoral meetings, he agreed that there were often too many. With respect to financing the plan – he said it was good to see SPC ensuring that the IER recommendations were adhered to, and that austerity was a safe approach.

**Solomon Islands:** Supported the draft, saying it was a platform to work toward the future.

**American Samoa:** Expressed concern on the question of associate members – how would they fit into the plan – what about the financial aspects? This issue should be considered even though the category of associate membership had not been finalised.

**Australia:** Had significant concerns with the previous draft of the plan; however, this one allayed those concerns. It was good to see a statement of SPC's role and identification of key areas of activity.

To get from a draft to the final version, Australia needed to see strengthening of internal and intra-divisional plans to make sure they matched up well. SPC had a good start on setting priorities – how and why – especially with respect to the budget. This was an important area for Australia – whether SPC could provide certain services or not depended on the budget. However, the budget still seemed to be based on historical priorities. Australia expected it would change and the corporate plan should reflect that. It could be strengthened in certain areas relating to the IER recommendations that have been accepted (e.g. the transition of the Regional Media Centre to a communications/public relations group). More detail was needed regarding M&E – especially its importance, criteria for it, and more detail on the ‘law of diminishing size’ outlined in the IER report (smaller countries are generally more familiar with, and dependent on, SPC services). The paper referred to an internal audit committee – did it exist as yet? As Australia understood, only the independent audit committee currently existed. The ‘life’ of the plan (e.g. the review process) should be made clearer. Also more information was needed on how the organisation will ‘settle down’ into a unified organisation following the RIF reform. More time may be required than is planned for in the timeline, including for consultation, but the issue was important.

**Marshall Islands:** Supported the plan, which was a very important document. Marshall Islands agreed with the strategic issues as presented in the plan, noting the emphasis on service delivery and saying that the cross-cutting issues outlined in the plan were similar to those of Marshall Islands. The JCSs and M&E were also critical, and needed to be done right for members to benefit from services. The JCSs must be strongly linked to M&E. Would there be CROP-wide JCS consultations?

**Fiji:** The plan captured the principles of the Paris Declaration on aid effectiveness very well, including ownership by countries. It showed good coordination and good demarcation of the roles of the Forum Secretariat and SPC. The Forum should not dictate SPC’s priorities. The plan outlined good partnerships and meaningful/productive engagement, and Fiji approved of the proposed closer links with UN and EU ambassadors. With respect to ‘emerging donors’, Fiji said SPC should be open to all who were willing to help, while remaining cautious. Fiji supported the draft overall and looked forward to discussions on host country grants.

**Vanuatu:** Supported the plan in principle, but suggested that M&E be highly visible in the document, with a unit established to work with the Director-General.

**New Caledonia:** Looked forward to contributing to finalising the document. In addition to strengthening relations between SPC and Pacific ambassadors to the UN and EU, SPC could make use of the capacity of overseas territories to communicate the Pacific Community’s point of view in Brussels. New Caledonia would be happy to help through its team of lobbyists in Brussels.

**Kiribati:** Commended the plan, especially the prioritisation of core services. Kiribati had just finished its JCS review, and felt that national priorities in its development plan should underpin the JCS. There was no mention in the plan of national priorities aligning with the JCSs. Kiribati understood that national priorities are to be supported by the JCSs.

**Niue:** As Kiribati said, SPC prioritisation could be helped by members’ development strategies. Regarding the transfer of the ICT programme to USP, it was important to make sure that services continued; not all SPC members were USP members. Niue thanked the metropolitan members for their contributions.

**USA:** Asked for clarification regarding the timing of the final draft of the plan and when members should submit their feedback. The timeline seemed ambitious.

**Samoa:** The new plan was an improvement over the last one, and included good information on SPC’s future direction. Samoa was glad to have time to comment. It supported a midterm review of the plan, as it should be a living document. It also supported the draft and the timeline, noting that it might need to be extended.

**France:** Echoed comments by others on the quality of the plan and welcomed the idea of establishing a legal unit internally, as well as the new format for the budget and the fact that it distinguished core and project funds. Regarding funding of the plan, France noted the request to transfer project funding to core funding, which was positive as it would increase the predictability of funding. France asked for more information on the formula for contributions and on the expected efficiency gains of 1 to 1.5 million CFP units, and suggested an amendment to one of the recommendations.

**New Zealand:** The draft had improved on the August version and reflected the IER recommendations. New Zealand welcomed the multi-disciplinary approach and the attention to cross-cutting issues but would like to see a greater sense of momentum on where SPC would be after 2017. This was partly a question of style, which could be fixed with more definite language. But there was also an element of substance; for example, when would the human resource strategy be done? New Zealand understood that this was partly due to the lack of surety about funding. A performance framework around the plan would allow members to track how SPC was doing. M&E had greater visibility, but it could use even more. Regarding regional public goods, there could be more information and emphasis on them (versus services delivered nationally). New Zealand supported a midterm review of the plan.

**Nauru:** Supported the plan in principle and welcomed the special focus on small island states and the ‘law of diminishing size’ to enhance SPC service delivery.

**Tuvalu:** Welcomed the idea that the plan is a living document, especially with Tuvalu finalising its National Development Strategy in 2013 and with the need to examine progress on the MDGs and its sustainable development goals.

**Director-General:** Thanked members for their support for the draft, noting the emphasis on the proposed midterm review. Regarding associate membership (American Samoa) – this was not an issue now, but SPC should take it into account in the document. In response to Australia’s question about the internal audit committee and the independent audit committee, he said that both names referred to the same committee, which had already been formed. Regarding whether the JCS reviews will be done on a CROP-wide basis or just by SPC, he said he was not yet sure; if CROP-wide reviews took too long to get going, SPC would proceed on its own. In response to New Caledonia’s comment about lobbying through overseas countries and territories, he said that SPC would add a reference to it to the document. In response to the comment from Kiribati, he said that the plan should say that JCSs link SPC’s service delivery to national priorities through national development plans, showing which services are best delivered by SPC. Regarding timing, SPC would need to receive feedback from members by 5 January. He noted that the current plan finished in December, so if the new plan was not endorsed in principle at this meeting, SPC would have to wait for the next CRGA to have it endorsed. Therefore he suggested that CRGA endorse it in principle. In response to New Zealand’s comment, he said that further feedback on the sense of momentum would be helpful, and he noted that there will be an annex outlining milestones and timing.

**PNG** moved to adopt the recommendations. French Polynesia, Samoa, New Zealand and FSM seconded.

## **Decisions**

### **CRGA:**

- i. noted the secretariat’s request for members to provide changes, modifications or additions to be incorporated in the plan by Monday, 7 January 2013;
- ii. endorsed the draft corporate plan 2013–2017 in principle, noting the secretariat’s intention to conduct further consultation with SPC members, staff and other stakeholders following CRGA 42;

- iii. directed the secretariat to circulate the final draft of the new corporate plan for 2013–2017 to members in early 2013 for their final review and approval out of session.

## **AGENDA ITEM 5 – POLICY INITIATIVES EMANATING FROM THE IER**

### **AGENDA ITEM 5.1 – DECENTRALISATION OF SPC OFFICES AND SERVICES**

*The secretariat has implemented the instructions of the 2005 Conference by decentralising its operations and does not plan further decentralisation at present.*

**Director-General:** The 4th Conference of the Pacific Community in Palau (2005) accepted the recommendations of the 2005 independent corporate review of SPC and instructed the secretariat ‘to bring services closer to people’ by decentralising beyond its Noumea headquarters and Suva regional office. The recently completed independent external review (IER) of SPC recommended that ‘SPC should take a measured and careful approach to future decentralisation’, focusing on service delivery. This recommendation has been accepted by the secretariat and endorsed by the Special Session of CRGA in August 2012. Previous requests from Tonga and Solomon Islands to create SPC offices will not be actioned and current relationships will be maintained.

#### **Discussion**

**New Caledonia:** Concurred with the IER regarding future decentralisation, noting that the process could have negative impacts that were not necessarily financial in nature.

**PNG:** Requested that the IER language be adopted by CRGA. Noting that opening diplomatic missions was difficult, he congratulated SPC on pursuing other cooperative options with CROP agencies. Upgrading the Honiara office had merits, but the financing arrangements must be sustainable.

**Kiribati:** Was encouraged by the possibility of deployment of SPC staff in countries. Countries that required extra support would benefit from the Pacific Plan desk officer model. She suggested SPC conduct a cost-benefit analysis of this model to provide more benefits on the ground.

**FSM:** Asked how deployment to regional offices was coordinated.

**Solomon Islands:** Supported the recommendations of the IER on future decentralisation.

**Director-General:** Noted that there have been consultations with the Forum Secretariat on the Pacific Plan desk officer model. In addition, there were already a number of models where focal points were deployed to countries. He explained that the deployment of staff to satellite offices was based on the technical division, role and subregional emphasis of the position.

**PNG:** Cautioned CRGA to consider sovereign responsibility when coordinating representation with the Forum Secretariat. He suggested decentralisation be treated with caution and within affordable means.

#### **Decisions**

CRGA:

- iv. noted that decentralisation has advantages and disadvantages as well as costs;
- v. further noted the secretariat’s view that it has fully implemented the direction of the 4th Conference of the Pacific Community on decentralisation to the extent practicable; and

- vi. endorsed the secretariat's position that it will not pursue further decentralisation of its offices beyond the current configuration of its headquarters in Noumea, New Caledonia, two regional offices in Suva, Fiji, and Pohnpei, Federated States of Micronesia (FSM) and a country office in Honiara, Solomon Islands.

## **AGENDA ITEM 5.2 – MEMBERSHIP POLICY ISSUES**

*Noting that the recent IER suggested that ‘...SPC may want to review whether it wants to expand its membership or develop alternatives to full membership for parties that would like to work more closely with SPC for further consideration by CRGA’, the secretariat presented possible options for new membership. The meeting discussed the implications, including legal and financial aspects, of creating a new category of membership and allowing multilateral organisations, among others, to join the Pacific Community.*

**Director-General:** SPC asked CRGA to consider expanding the provisions of its current policy on membership to include a new category of ‘associate member’, opening opportunities to both countries and organisations that have been contributing to SPC’s work. Associate membership would provide an alternative to full membership that might be attractive to countries or organisations that have supported SPC’s work programme over the years but would find the category of full membership too high or difficult a goal to aim for.

### **Discussion**

**New Caledonia:** Noted that the legal change would be to the Tahiti Nui Declaration not the Canberra Agreement. He asked for a clarification on the criteria for associate memberships, and on who would take the initiative to invite or agree to inclusion.

**Director-General:** Explained that the legal changes involved relate to the operational procedures in the Tahiti Nui Declaration. The IER suggested that the Director-General take the initiative to approach organisations, based on clear guidelines. He noted that expressions of interest have already been received, notably from Timor Leste, and Germany, which provides funding via GIZ.

**USA:** Could not fully support the recommendations, though noting the possible advantages. The proposal needed to be addressed more fully and re-submitted as a detailed paper to CRGA 43. USA would be more comfortable with CRGA inviting organisations and countries to apply for membership.

**French Polynesia:** Concurred that there was not enough information provided in the paper to enable members to take a position on the recommendations. The document was not sufficiently detailed regarding financial contributions and criteria for inclusion. French Polynesia asked that SPC make it clearer to CRGA which countries have expressed an interest in being full and associate members.

**PNG:** Asked for a committee to be established to explore this issue. While acknowledging the close involvement of other agencies, he cautioned that CRGA should deal with current membership issues and reforms before campaigning for new members. He suggested that another option was an accreditation arrangement on certain thematic issues, so agencies could make interventions at CRGA meetings.

**Niue:** Concurred, suggesting a cautious approach. The reform issues of the past 12 months needed to be concluded successfully before expanding membership.

**Marshall Islands:** Referred to the decision taken by the CRGA special session, and supported the establishment of a committee to look into this further. Marshall Islands was willing to be a member of the committee.

**New Zealand:** Concurred with the comments by others, noting that inclusion of organisations would change the composition of CRGA membership. Would new member countries be beneficiaries of SPC services?

**Samoa:** Concurred with the need for a cautious approach and the need to establish clear parameters. A review process would be required to assess the status of a new member's eligibility. She requested that a more detailed paper be prepared and presented to CRGA 43.

**Solomon Islands:** Asked for clarity on the legal ramifications of associate membership. He endorsed the establishment of a working group.

**New Caledonia:** Expressed concern that some associate members would have a comparative advantage over others in influencing CRGA decisions. The legal status needed to be fleshed out further and checked carefully within the context of the Canberra Agreement.

**Vanuatu:** Asked for clarification about associate members becoming full members after a period of time.

**Cook Islands:** Asked for clarification on the amendments to the Tahiti Nui Declaration.

**Tuvalu:** Asked if allowing organisations to gain CRGA associate member status would impact on direct bilateral relationships between those organisations and countries.

**PNG:** Confirmed that the Tahiti Nui Declaration was the document used to define membership.

**Director-General:** Explained that Germany is the metropolitan country that has expressed interest in joining, along with Timor Leste. Associate membership would not affect bilateral arrangements. A committee would be set up to expand the proposal. He noted that the main concerns raised by delegates related to organisations joining, so he suggested that there be separate membership criteria for countries and organisations. SPC will draft initial terms of reference for the working group, with recommendations to be tabled at CRGA 43.

**Chair:** Suggested that new recommendations be drafted to reflect the discussion. Nominations for the working group were: France, PNG, French Polynesia, Marshall Islands, Samoa and USA.

## **Decisions**

CRGA:

- iii. noted with interest the Director-General's paper on possible expansion of SPC membership;
- iv. agreed to establish a working group, to be chaired by France as the chair of CRGA and to include French Polynesia, Marshall Islands, Papua New Guinea, Samoa and the United States, to work with the secretariat to examine a number of issues raised by members during the discussion and submit a more detailed report to CRGA 43 and the 8<sup>th</sup> Conference in 2013.

## **AGENDA ITEM 6 – OPERATIONS AND MANAGEMENT – OVERVIEW REPORT**

*SPC's Operations and Management Division has made good progress in implementing several projects including a new online human resources information system, upgrade of the ICT infrastructure and review of corporate administrative and human resources policies. It has also achieved efficiency gains as a result of putting in place a flatter structure and more streamlined work*

*processes. The secretariat acknowledged the significant financial support provided by Australia for the initiatives described.*

**Deputy Director-General (Noumea):** The Operations and Management Division (OMD) has implemented several projects to integrate the provision of corporate services in all SPC offices. Systems development initiatives include the new online human resources information system and electronic document management system. An upgrade of SPC's ICT infrastructure is almost complete, as is the review of corporate administrative and human resources policies. The division was reorganised following its 2011 review by an external consultant. A flatter structure has been put in place, work processes are being streamlined and efficiency gains have been realised as a result. SPC thanks Australia for its significant financial support for these initiatives undertaken by OMD in 2012 to ensure that SPC's corporate and programme support services meet the needs of an expanded and decentralised organisation that seeks to operate with efficiency, transparency and accountability. These initiatives also respond to the IER recommendations.

## **Discussion**

**Cook Islands:** Supported the recommendation.

**Australia:** Supported the recommendation and asked for a report showing the recommendations of both the Maxumise report and the IER in a tabular form, to better assess recommendations and reforms.

**French Polynesia:** Asked for clarification on the gains obtained through pooling resources resulting from the implementation of the RIF reform.

**Deputy Director-General (Noumea):** Responded that the organisational structure adopted is flatter than that recommended by Maxumise, with one less management layer. The Maxumise report commended efficiencies adopted by SPC, such as the use of freelancers to cover workload peaks, and combining similar services. Programme support services will continue to seek efficiencies and SPC will provide an end of project report, which will fully answer the questions posed by Australia and French Polynesia.

## **Decision**

CRGA:

Commended the key initiatives undertaken by the Operations and Management Division in 2012 to ensure SPC's corporate and programme support services meet the needs of an expanded and decentralised 'post-RIF' organisation that seeks to operate with efficiency, transparency and accountability.

## **AGENDA ITEM 6.1 – CROP TRIENNIAL REMUNERATION REVIEW 2012 – TERMS AND CONDITIONS FOR STAFF IN POSITIONS ADVERTISED INTERNATIONALLY**

*Four CROP agencies (FFA, PIFS, SPC and SPREP) have adopted a harmonised approach to their remuneration principles and practices and undertake a regular review to ensure these are in line with international good practice. The 2012 Triennial Remuneration Review confirmed that SPC's remuneration policies are in line with international practice and also reasonably harmonised between participating agencies and made a number of recommendations to address concerns about the COLDA (cost of living differential allowance) and impact of volatile exchange rates on budgets and salaries. The secretariat supports the view of the CROP working group that these recommendations need to be analysed further before implementation can be considered.*

**Deputy Director-General (Noumea):** The 2012 Triennial Remuneration Review confirmed that SPC's remuneration policies continue to be in line with good international practice and are also reasonably harmonised with those of the other participating agencies. It made a number of recommendations that might address some of the more fundamental concerns about COLDA and the impact of volatile exchange rates on budgets and salaries. The secretariat supports the view of the CROP working group that these recommendations need to be analysed further before implementation can be considered. The report further recommended that a number of allowances (e.g. establishment, repatriation, education and home leave) be reviewed and adjusted by the secretariat to bring them more closely in line with international practice and with the practices of other CROP agencies.

## **Discussion**

**French Polynesia:** Supported the recommendation to take more time to review the consultant's recommendations.

**Deputy Director-General (Noumea):** Noted that the review recommendations that have no budgetary impact will be dealt with at secretariat level, and those with financial impact will be reviewed by the CROP working group.

## **Decision**

CRGA:

Agreed with the secretariat's proposal to continue discussion of the recommendations of the 2012 Triennial Remuneration Review.

## **AGENDA ITEM 6.2 – ANNUAL SALARY MARKET REVIEW AND SALARY SCALES**

*The secretariat proposed a modest increase to bring its 2013 salary scale for internationally recruited staff in line with the current (i.e. 2012) PIFS salary scale. Current SPC salaries are significantly below the average of the three reference markets and also below those paid by PIFS and SPREP despite the supposed harmonisation of the four CROP agencies. In relation to the 2013 scale for positions advertised locally, CROP policy is to align salaries with those paid in the markets of the host countries (normally the average of public and private sector salaries), or with those of existing agencies in various locations.*

**Deputy Director-General (Noumea):** In 2010, four CROP agencies including SPC continued the process of harmonising their salary scales by adopting the same 18-band system. Current SPC salaries are significantly below the average of the three reference markets, which contributes to the increasing recruitment difficulties the organisation is experiencing. Its salaries (and those of FFA) are also behind those paid by PIFS and SPREP, although the salary scales of the four organisations are supposed to be harmonised. Based on its recruitment experience, SPC considers that a salary increase is now necessary after two years without any change. However, large adjustments of the magnitude indicated by the 2012 market data review are not financially feasible. Instead, the secretariat's recommendation is a modest increase to bring its 2013 salary scale in line with the current (i.e. 2012) PIFS salary scale.

With regard to positions advertised locally, CROP policy is to align salaries with those paid in the markets of the host countries, normally the average of public and private sector salaries. In line with the policies of other international organisations and diplomatic missions, SPC aims for its salaries to be in the upper quartile of the local markets. In Fiji, SPC has ready access to annual market survey data, whereas in other countries comprehensive surveys happen less frequently. Recommendations for salary scales for positions advertised locally include a small change to the scale for Fiji and several small changes to approaches in other locations.

## **Discussion**

**FSM:** Supported the recommendations relating to international and local salary scales, particularly aligning FSM salaries to those of the Tuna Commission.

**USA:** Asked for clarification and timelines regarding the CROP harmonisation of salary scales. What is the target for SPC salary alignment and what is the fiscal impact in the longer term?

**New Zealand:** Asked for clarification on the purpose of this paper in relation to the Director-General's issues paper on CROP remuneration.

**Director-General:** Responded that paper 2.4 deals with changes to strategic policy level issues, and paper 6.2 relates to operational implementation issues for existing policy. The average survey salary is the target for alignment, but SPC aims, at present, only to align to the lowest of the other CROP agencies. The increase asked for was budgeted for, and further alignment needed to be considered in time. Not increasing salaries would result in loss of staff.

**Australia:** Supported the recommendation relating to salaries for internationally recruited positions.

**French Polynesia:** Asked for clarification on the logic and purpose of the salary increase. Was CRGA 42 being asked to reconsider a decision made at CRGA 41 because other CROP agencies took a different decision, and not because there had been a new triennial review?

**Deputy Director-General (Noumea):** Responded that the triennial review is different from the setting of salaries, which is based on an annual survey. The annual salary review is an agreed CRGA policy. He reiterated that the proposed increase had been factored into the 2013 budget based on the 2012 market review. There is an established CRGA policy of CROP salary alignment.

**Cook Islands:** Supported the recommendations and noted the clear justifications for asking for the increase.

**Kiribati:** Noted the need to maintain the excellent work of SPC by its staff.

**New Caledonia:** Supported the recommendations, noting that there seems to be little compliance with the supposed alignment of remuneration between CROP agencies.

**Niue:** Supported the recommendations and highlighted the difficulty of balancing the means to attract and retain qualified technical staff with managing budgets.

**Fiji:** Supported the recommendations.

**France:** Supported the recommendations for 2013 but questioned the relevance of comparing SPC with other CROP agencies of different sizes. A balance must be struck between the cost savings from not increasing salaries, and investing in the quality of service. Increasing salaries should not be a recurring trend for the middle to long term.

**Marshall Islands:** Concurred with other country delegates, acknowledging the excellent work done by SPC, and supported the recommendation if the amount had been factored into the balanced budget.

**PNG:** Fully endorsed the recommendation.

**USA:** Supported the recommendation, and also encouraged further harmonisation with SPREP.

**Samoa:** Supported the recommendations in line with the high-quality of work CRGA has commended SPC on.

**Director-General:** Noted the points raised and confirmed that thorough consideration will be given to them.

**French Polynesia:** Was not supportive of the recommendation but did not oppose the consensus, noting that increases cannot be approved without a financial impact. The requested increase was equivalent to double the increase in assessed country contributions asked of members. This was a significant sum that countries had been asked to find and was designed to support middle-level management of SPC, not be swallowed up in general staff salary increases.

**Deputy Director-General (Noumea):** Clarified that the recommendations relating to local staff were also adopted.

**Director-General:** Responding to a request for clarification from Australia, explained that CRGA is recommending that FSM local salaries be aligned with Tuna Commission salary scales.

## Decisions

### CRGA

With regard to positions advertised internationally,

- i. approved the recommended 2013 salary scale.

With regard to 2013 salary scales for positions advertised locally:

- ii. approved the secretariat's proposal to align its FSM salary scale with that of the Western and Central Pacific Fisheries Commission;
- iii. approved the recommended salary scale in Fiji;
- iv. noted that the secretariat will discuss a more comprehensive salary survey in New Caledonia with local authorities and staff and continue to follow increases in public sector salaries; and
- v. approved the continuing alignment of SPC's Solomon Islands salary scale with that of FFA.

## AGENDA ITEM 2.4 – DIRECTOR-GENERAL'S ISSUES PAPER ON CROP REMUNERATION

[Note: As decided in adopting the provisional agenda, the meeting discussed Paper 2.4 after the discussion of other remuneration issues.]

*As already noted, SPC's remuneration policy is harmonised with that of three smaller CROP agencies (FFA, PIFS and SPREP). However, harmonisation has created difficulties for SPC, which has a much larger staff and range of positions in comparison with these agencies. It has experienced problems in attracting and retaining the qualified and experienced staff needed for its technical and scientific programmes and requested CRGA to address this situation urgently. A modification of the existing salary scale was proposed to accommodate SPC's requirements more specifically, along with consideration of mechanisms such as gratuities to enhance staff retention. In relation to the position of the SPC Director-General, the secretariat noted that moving the positions of the CEOs of FFA and SPREP up to the same salary band as that of the CEO of SPC has created an anomaly in the CROP CEO banding structure, given that SPC is a much larger organisation.*

**Director-General:** The paper addresses two important issues: SPC's increasing difficulty in attracting and retaining qualified/experienced staff for key technical and scientific positions and a policy issue relating to the role of governing bodies. CRGA 40 approved a new salary scale for SPC. However, the

new scale works well for small organisations, but not as well for a larger organisation like SPC. The specific issue for SPC is that the positions of a very large number of staff are in a small number of bands or grades. The new scale lessened the problem somewhat by replacing two of the old system's mid-level grades with five bands. Nevertheless, there are many more staff members in those bands than in other higher and lower bands. SPC now proposed to add an additional band (band 13) to spread staff a bit more. The proposal would shift all staff in existing bands 13 and above up one level, with the exception of the Director-General. The new band would give SPC more flexibility to accurately reflect the variety of job sizes. The paper also proposed that CRGA consider gratuities (a one-time payment to staff who reach the end of their contract) to increase retention. FFA and USP have implemented this. The secretariat recommends studying it and coming back with a report next year. The third measure described in the paper is already in use: market allowances. SPC uses this measure but it has limitations. Without market allowances we would not have been able to recruit some of the staff recruited recently. SPC is not recommending changes in the system at present, but is asking CRGA to consider approving the proposed changes. This will have no cost next year, and SPC will present information on what the cost would be after that.

The other issue addressed in the paper relates to CEO salary bands across CROP agencies. Job sizing ranked FFA and SPREP CEO roles at an equal level, the SOPAC CEO a bit higher, and the PIFS and SPC CEO roles higher still. This job sizing was done before the RIF reform increased the size of SPC and the complexity of the role of its CEO considerably. The paper suggested adding another classification based on organisation size. SPC member countries also sit on the governing bodies of other CROP organisations. Organisational governing bodies should be aware of the flow-on effects of their decisions on other organisations. The management advisory group will work with SPC to develop a paper on the remuneration package of the CEO of SPC to be tabled at the next CRGA. Any change will not affect the current SPC CEO. This recommendation will keep the same scale but introduce flexibility (as allowed under the harmonisation guidelines where there is a business case). The issue should be considered now so the new SPC CEO would not have to deal with it immediately on arrival.

## **Discussion**

**France:** Understood the Director-General's concerns, however France could not accept the recommendations for several reasons: CRGA had already decided to raise salaries in 2013 – therefore it could wait until 2013 to consider this issue. Also, there would be financial implications in 2014 if not in 2013. France was only a member of SPREP and SPC, not other CROP organisations, so CROP harmonisation was not particularly important to France – in fact it only seemed to serve to raise salaries. France was willing to consider converting project funds to core funds to be used for agreed activities, but not to immediately raise salaries. France proposed a new recommendation stating that CRGA had listened to the presentation, discussed it, and agreed to defer consideration of the issues to 2013.

**French Polynesia:** Could not support the recommendations, noting that CROP harmonisation did not seem to work and should be abandoned. The presentation showed that it was not useful; it seemed that continuing to pursue it was a waste of time. French Polynesia regretted the decisions by other governing bodies, though they were free to do what they wanted. French Polynesia was against the decision by the SPREP governing body. All this showed that the system did not function and was not helping SPC. In fact, the result was harmful to it.

**New Caledonia:** Supported the comments by France and French Polynesia, especially for financial reasons, not so much for reasons related to CROP harmonisation. New Caledonia had largely been spared from the global economic crisis thus far, but it seemed to be arriving. The 2013 budget for New Caledonia was reduced quite a bit, with reductions in public sector spending. Thus New Caledonia could not support an increase in spending at SPC. However, New Caledonia would increase its contribution over the coming years. It would like for its contribution to support services,

and for SPC to be restrained with its salaries. It did not question the necessity of the increase that CRGA just agreed to, but feared that the increases could spiral out of control.

**USA:** Agreed with France, French Polynesia and New Caledonia. USA would need to discuss this issue with people in Washington and Suva. He said that every time a position was open in SPC, it seemed that many people applied for it. USA would like to have concrete data on the number of people lost, whether there were fewer applications, etc. to quantify the problem. USA noted that the paper did not necessarily suggest raising salaries. However, there was concern about the suggestion that initial salaries be pitched higher. Also, market allowances should follow a set formula. USA could not therefore support the recommendations.

**New Zealand:** Asked how would the change to banding potentially impact remuneration? Although there would be no impact next year, what about after that? Would it cause movement to higher salaries?

**PNG:** Agreed with other comments that SPC should stand on its own and not link its salary considerations to other organisations. Hence, it should not continue with CROP salary harmonisation. The paper provided the basis for discussion but in the future, once a new Director-General has taken over. He agreed that SPC should be differentiated from other organisations because it is bigger and PNG was therefore willing to consider the proposals, but later.

**Niue:** The most important asset of any organisation is people. He agreed with PNG that CRGA should only consider what is appropriate for SPC and should wait to see the new Director-General's position on the issue. Niue could not support an increase in salary, but agreed with the reasoning in the paper. CRGA should look at it next year.

**Australia:** Could not say yes or no to the recommendations at the moment, although it recognised that they did not mean automatic increases. The paper came late – it would need to be discussed with people in Canberra and other options also considered to address the situation.

**Solomon Islands:** Agreed with PNG.

**Director-General:** Our objective was to present these complex issues to you so that you could think about them. We are glad to see from your responses that you will consider the issues. SPC will do further work and provide more information for next year's CRGA meeting. In response to the comments from USA, while the quantity of applications remains fairly high, the quality of experience is sometimes lacking. SPC would have lost three officers, leading to the close of an important programme, without the use of market allowances. SPC will prepare a paper with data showing the size and nature of the problem.

**France:** Suggested new language for the recommendations.

**French Polynesia:** Supported USA's request by asking SPC to provide in-depth analysis with detailed figures illustrating its difficulties in staff recruitment and retention to inform CRGA of the extent of recruiting and retention problems.

## **Decisions**

CRGA:

- i. noted the Director-General's paper on CROP remuneration issues; and
- ii. directed the secretariat to further analyse the matters involved and present a paper, including data illustrating retention and recruitment difficulties, for consideration by CRGA 43 in 2013.

## AGENDA ITEM 6.3 – ASSESSED CONTRIBUTIONS AND HOST GRANTS

*The secretariat was pleased to advise CRGA that 16 of SPC's 26 members have fully settled their assessed contributions to SPC. All except three have made payments during the financial year, including members known to have financial difficulties. This was a significant improvement over previous years. The total amount outstanding is 2,222,691 CFP units; approximately 80% (2 million CFP units) of this amount is owed by just five members. Nauru advised that its President had signed a five-year repayment plan for its arrears. SPC's auditors have, however, insisted that provision is made in its 2011 annual accounts for long-outstanding arrears. As directed by CRGA, the secretariat will carry out a review of the formula used to calculate assessed contributions, which has become more complex following the merger of SPC, SOPAC and SPBEA, for consideration by CRGA 43.*

**Deputy Director-General (Noumea):** Major progress has been made with assessed contributions and host grants. But some concerns remain. SPC had just received a payment from Kiribati that nearly took care of its arrears. Nauru also had good news to announce. SPC's policy on longstanding arrears was not to make provision for them in its accounting as the assumption was that sovereign debts would be paid. However, the global environment has changed and the auditors insisted on such a provision. SPC set aside 400 000 CFP units for it. This is money that cannot be used for reserves or services until the arrears are paid. With respect to 2013 assessed contributions, SPC put the increase from island members into its budget, and commenced discussions with host countries on host grants and with metropolitan members on higher assessed contributions. France will make a statement regarding its assessed contribution for 2013. SPC had done some preliminary work on the formula (in response to the request from French Polynesia). It found that the groupings remain appropriate, but should be simplified. One issue relating to equity is that some members (those that were not previously SOPAC members) are receiving services from SOPAC but not paying contributions. SPC will consult with them. A review will be undertaken to consider the formula for calculating assessed contributions and host country grants, and SPC will report back to CRGA in 2013.

### Discussion

**Nauru:** Has a large amount of long-standing arrears. Last year we submitted a paper requesting that SPC write off these arrears; CRGA requested that Nauru engage with SPC to find a payment plan. Nauru values SPC services. Its government has agreed to a payment plan and committed to pay its outstanding arrears in five instalments over five years, including ongoing assessed contributions. The plan was signed by the President of Nauru.

**France:** To show its ongoing support for SPC, and particularly for the reform underway, France confirms the conversion of a large portion of its funding to core funding to improve the sustainability of SPC's funding.

**PNG:** Applauded the announcements by Nauru and France. The PNG government would not agree to a payment schedule and despite efforts by the delegation, no further information was available at present.

**New Caledonia:** Was pleased to announce it was strengthening its engagement with SPC and raising its contributions to the organisation. Its government had approved a budget raising the territory's overall contribution for 2012–2013 from 480 000 CFP units to 650 000 units. In addition, it approved a special contribution for 2013–2015 of 700 000 units each year for renovation and maintenance of SPC headquarters. The Government of New Caledonia has also undertaken to construct a new building to increase SPC's available office space by 2000 square metres in order to allow an increase in the number of staff posted at the Noumea headquarters.

**Solomon Islands:** The merger of SPC, SOPAC and SPBEA was complex. This was also true from the national perspective, with different organisations under different ministries, which complicated the

task of getting assessed contributions paid. A clerical error resulted in the slow arrival of Solomon Islands' check, but it should arrive within a day. Solomon Islands supported the recommendations.

**Tuvalu:** Applauded the good news from Nauru and others. Tuvalu had made an effort to pay its balance for this year. The funds were transferred yesterday and should come through soon. Tuvalu supported the recommendations.

**USA:** USA would pay its dues, as every year, although budget complexities mean that the payment always arrives late. As the funding formula evolved, USA asked the secretariat to please ensure the information was sent to members well in advance so they could be ready to vote at their next meeting instead of having to put it off for a year.

**Northern Mariana Islands:** Was very glad and proud to be present at CRGA, and thanked other members for their welcome. Northern Mariana Islands supported the recommendations. Although other delegates have said that Northern Mariana Islands has a right to be present at CRGA meetings, he wondered how that could be so when it has failed to pay its arrears for so long. The territory had hosted CRGA, notably the 1989 meeting at which it made the important decision to recognise all countries and territories as equal members. But the territory has been absent from meetings for too long since then. Shame is an aspect of Pacific culture that Northern Mariana Islands has felt regarding its outstanding arrears. However, SPC has continued to offer services to the territory and to others with longstanding arrears, rather than stigmatising or isolating them. In particular, the Manager of the Northern Pacific Regional Office helped keep the lines of communication open to discuss options such as the possibility that the formula would be recalculated based on changes in members' GDP and population and the possibility of consideration of in-kind contributions rather than cash.

**French Polynesia:** Joined others in welcoming the good news from other delegations. French Polynesia confirmed its agreement regarding raising assessed contributions and thanked CRGA for approving its request to review both host contributions and the formula for calculating assessed contributions.

**Vanuatu:** Vanuatu acknowledged its arrears and regretted SPC's difficult situation. The Vanuatu government was undergoing transition. The new government would be announced soon and then Vanuatu will be able to discuss a payment plan.

**Tonga:** Thanked for SPC for its services, especially the Lifuka project, which has helped raise consciousness on climate change impacts. Tonga thought its contribution was up to date but there may have been confusion as a result of the integration of SOPAC. Tonga's finance department was working on it now that it was aware of the issue.

**FSM:** Supported the recommendations. The FSM government is ready and willing to engage with SPC regarding host country contributions and would like more information on SOPAC/SPBEA and the new formula?

**France:** Regarding the survey on economic benefits to host countries, the results of which will be reported to CRGA 43, France understood this might be linked to a new type of grant by host countries. Could the secretariat please explain?

**Samoa:** Welcomed the good news. Regarding host grants, Samoa looked forward to the findings and agreed that host countries receive gains, and this should match with the grant paid to SPC. The review of the contribution formula was very timely; Samoa supports continuation of the current clusters, and hoped SPC would look at factors relating to ability to pay, population size, etc.

**Cook Islands:** Supported the recommendations and comments by French Polynesia and Samoa on the findings of the review. He thanked the metropolitan countries for their support.

**Fiji:** There is a place for all countries, including those that have not yet paid their contributions. Fiji supported the recommendations, though discussions were ongoing with SPC on issues relating to host country grants.

**Kiribati:** Welcomed the good news and supported the recommendations. Kiribati valued the work of SPC and will work to meet its obligations. Its government has centralised the financing of all organisations that Kiribati is a member of and the relevant department is aware of the issue.

**Niue:** Thanked SPC for its services and thanked the metropolitan members. The comments by Northern Mariana Islands remind CRGA that the organisation was formed around the Pacific way of doing things, with value placed on every country's particular circumstances. Niue supported the recommendations.

**Deputy Director-General (Noumea):** Thanked members for the good news. In response to the request from USA he said SPC would send the information early to allow time for discussion of the issues in capitals. In response to the question from FSM, he said that its present contribution is the sum of its contributions to the previously independent SPC, SPBEA and SOPAC. Regarding the review of host grants and assessed contributions, he said it would take changed circumstances into account. Preliminary results indicated there might not be big changes, but that remained to be seen. The study is not expected to be costly, and SPC feels that it will be helpful to have outside objectivity and technical expertise. The results will be brought to CRGA 43 for a decision. SPC was heartened by the positive comments and the support for its services.

**Director-General:** The study was important – SPC needs an independent assessment on host country grants and the formula, to relate them to host country benefits. In discussions with New Caledonia, Fiji and FSM, there was broad agreement on the amount but the formula needed more thought. The secretariat was encouraged by the news from many members that payments were on the way. He gave special thanks to the SPC team that had been working on negotiations, including the Deputy Director-General (Noumea) and the Finance Assistant. He made a special request that for the next Conference, members aim to have no arrears in their 2013 contributions and payment plans in place for those with arrears from previous years.

**Fiji and Vanuatu** moved to accept the recommendations.

## Decisions

CRGA:

### *Concerning the status of assessed contributions*

- xiii. acknowledged the significant efforts made by many members;
- xiv. requested those members with outstanding contributions, in particular those with arrears, to settle these as early as possible;
- xv. requested members in financial difficulties to agree on a payment plan with the secretariat;

### *Concerning the policy on long-outstanding arrears*

- xvi. endorsed the secretariat's new policy of making a provision in its annual accounts for assessed contribution debts that are older than four years unless an agreed payment plan exists and is being implemented;
- xvii. endorsed the secretariat's policy of applying payments to oldest debts first;
- xviii. confirmed its policy of not writing off arrears.

### *Concerning financial year 2013 assessed contributions and host grants*

- xix. noted the schedule of assessed contributions (Annex 1 of the Green Book);

- xx. in the context of the overall review of assessed contributions, welcomed the announcement by France that it will increase its assessed contribution to 2.3 million CFP units from 1,620,920 CFP units based on the conversion of a significant portion of its voluntary contribution;
- xxi. noted that the secretariat is continuing its discussions with host countries on closer links between the size of grants and the economic benefits to host countries;
- xxii. further noted that the secretariat intends to commission a study to estimate benefits to host countries and will report to CRGA 43 on the matter of host grants;

*Concerning the review of the funding formula for assessed contributions*

- xxiii. confirmed that a revised formula will be presented for consideration by CRGA 43, noting that the review of the formula will be included in the TORs of the consultancy for the review of the host grant formula in 2013;
- xxiv. recognising that American Samoa, Northern Mariana Islands, Pitcairn Islands, Tokelau and Wallis and Futuna now have access to the services of the Applied Geoscience and Technology (SOPAC) Division, requested that these members increase their contributions by 6,600 CFP units each to bring them into line with those of other small countries and territories from financial year 2013.

**AGENDA ITEM 6.4 – 2011 ANNUAL ACCOUNTS, AUDIT REPORT AND AUDITOR’S MANAGEMENT LETTER**

*In accordance with the financial regulations, the 2011 audited financial statements and audit reports were submitted to CRGA for its consideration. The 2011 financial records for the secretariat and the staff provident fund received unqualified audit opinions from the auditor PricewaterhouseCoopers, New Caledonia. The auditor’s management letter with management responses, which was also submitted for members’ information, drew attention to the status of outstanding assessed contributions and insisted that provision be made for doubtful debts.*

**Acting Director of Finance:** An annual audit is required by the financial regulations of the organisation. This audit incorporates the accounts of SOPAC. PricewaterhouseCoopers undertook the audit in both Suva and Noumea. Clean audits were received for the 16<sup>th</sup> successive year. This means that in their opinion, the financial statements accurately reflect SPC’s position and SPC’s accounting follows international practices. The management letter provides SPC responses to issues raised this year and previously. The balance sheet grew stronger; net assets increased, as did reserves. There was a net surplus (after the provision for doubtful debts of 400 000 CFP units required by the auditors) of approximately 200 000 CFP units, which went to strengthen the reserves. The audit found no high-risk issues, 10 moderate-risk issues and 4 low-risk issues. Management will address the issues raised and the Audit Committee will monitor progress. All findings from all previous years have been addressed except one, which is presently being addressed.

**PNG and New Caledonia** moved to adopt the recommendations.

**Decisions**

CRGA:

- i. accepted the 2011 audited financial statements as presenting a true and fair view of the financial position and financial performance of the secretariat and of its staff provident fund;
- ii. noted that proper accounting records have been kept and unqualified audit reports were received by SPC for the 16<sup>th</sup> successive year;
- iii. noted the comments of the auditors in the management letter and the responses of management; and
- iv. noted the issues raised by the auditors regarding arrears in members’ contributions.

## AGENDA ITEM 6.5 – REVISION OF 2012 BUDGET

*The revised budget for 2012 is a balanced budget that totals 106,372,200 CFP units (core 23,831,100 CFP units; project funding 82,541,100 CFP units). Overall, the 2012 revised budget reflected an increase of 8,775,600 CFP units, or 9.0%, compared to the original budget of 97,596,600 CFP units. The secretariat was pleased to advise that no transfer from reserves was required to balance the revised budget; current year expenditure is fully covered by current year income.*

**Deputy Director-General (Noumea):** This budget revision was presented just for information/noting. SPC was pleased that the revised budget was balanced and no transfer was required from the reserves, even though one had been expected/planned in the initial 2012 budget.

### Decision

CRGA:

Noted the revised budget (core and project funding) for fiscal year 2012.

## AGENDA ITEM 6.6 – FINANCIAL YEAR 2013 BUDGET

*SPC's budget for 2013 is a balanced one of 94,721,000 CFP units, comprising a core budget of 24,720,100 CFP units and project funding of 70,000,900 CFP units. It reflects changes in SPC's organisational structure and includes forecasts up to financial year 2015. There is also progress towards the reserves target set by CRGA. The meeting discussed the improvements in the presentation of the budget, the importance in future of providing information on country-level expenditure and savings resulting from efficiency gains, and the need to report detailed results against objectives in divisional plans. The meeting also requested SPC management to provide within-year reporting on expenditure to be circulated to members out of session for their information. This level of reporting will help metropolitan members in considering moving toward multi-year funding and conversion of project funding to core funding.*

**Deputy Director-General (Noumea):** Presented the SPC budget (the 'green book') for financial year 2013 for consideration and endorsement by CRGA. Changes to the layout of the green book have been made to further improve readability. It now also included information on the self-funding operations, Housing and Canteen. The green book complemented the information on work programmes provided in the divisional reports. The budget narratives listed key programme outputs that the financial inputs were expected to help achieve.

The core budget made up 26% of the total budget and project funding made up the remaining 74%. There was progress towards achieving the reserves target set by CRGA. However, the level of reserves would have been significantly higher if the secretariat had not had to make a provision of 400,000 CFP units for long-outstanding arrears.

The findings of the IER had necessitated shifting resources in the budget in order to streamline the budget. Good progress had been made towards achieving reserve targets. The Fiji income tax issue would result in financial gains to the host country that needed to be factored into the review of host country contributions.

### Discussion

**France:** Commended SPC on the new budget format and layout but requested more information on savings and productivity increases resulting from the RIF reform. Expenditure trends must be

explained more fully. This would include an explanation of projects coming to an end, and anticipated new projects, specifically for EDD and PHD. France confirmed its willingness to transfer its voluntary contributions to core funding, and announced an increase of 40% in its core contribution from 1.6 million to 2.3 million CFP units. This core funding would be provided to support the reform process. In order to justify this change and meet member expectations, France requested that SPC report on streamlining and economies of scale over the next few months.

**PNG:** Assured CRGA that payment of its outstanding member contributions is being processed and will be received by SPC shortly.

**Australia:** Will maintain its current level of funding for 2013. Discussion with SPC is underway regarding one-off funding to support reforms. Australia is open to moving voluntary and project funding to core funding as long as SPC can clearly articulate the outputs being purchased. The delegate acknowledged the huge pressures on the SPC budget, and noted that this makes prioritising activities all the more important. Australia noted that the budget is still a very historical document, and should be viewed as a baseline. Subsequent budgets should reflect a re-prioritising of allocations resulting from recent reforms, clearly link to divisional plans, and reflect expenditure in PICTs. Australia requested within-year reporting to help contributors better advocate for multi-year support.

**New Zealand:** Concurred, noting that subsequent budgets will require ongoing improvements in transparency, especially as the core budget grows. SPC must reflect in the budget how resource allocation decisions are made and how priorities are determined. Reporting back against what was planned needs to be improved. Regarding New Zealand's contribution for 2013, a package of regional services was yet to be confirmed for purchase. This had not been included in the budget, but would be confirmed very soon.

**FSM:** Asked for clarification on project funding relating to the North Pacific office, and other satellite office budgets.

**Niue:** Supported the notion of reflecting country-level expenditure in the budget. If the reserves were growing, then could SPC revisit the fees in the future?

**RMI and Fiji** supported adopting the recommendations.

**Deputy Director-General (Noumea):** Said that project funding for the northern Pacific Islands is recorded in the technical division budgets. Efficiency gains would be provided in a detailed paper in the next month. Only approved and confirmed projects were included in the budget, which explained the drop in project funding in the forward year projections. The Lower EDD and PHD funding was explained in detail. Mid-year budget reports and revisions could easily be provided to members. The budget currently focused on outputs, but the links to divisional reports could be expanded.

**Director-General:** Commented that reform processes do not always result in immediate savings, given that many existing contractual costs must be carried over to subsequent years. The Global Fund programme will conclude, but there were two large regional health projects currently under management that were still under review. Finalisation of these discussions would have a major influence on health funding.

## Decisions

CRGA:

- i. approved the proposed budget for financial year 2013; and
- ii. noted the progress update on SPC's reserves.

## AGENDA ITEM 7.1 – RECRUITMENT OF THE DIRECTOR-GENERAL

*The secretariat proposed amending the Procedure for the Appointment and Assessment of the SPC Director-General by including the services of an international recruitment firm to assist in the selection process, and recommended EWK International, which has supported the secretariat in the recent recruitment of directors.*

**Director-General:** The secretariat has introduced an enhanced process for recruiting executive-level positions. The secretariat has found the international recruitment firm's assistance very useful and recommends that CRGA add this new dimension to the process for recruiting the Director-General. This would require some changes to the *Procedure for the Appointment and Assessment of the SPC Director-General*.

### Discussion

**PNG:** Endorsed the inclusion of an international recruitment firm to provide an objective assessment.

**Australia:** Concurred with PNG, and tabled its nomination to be the donor representative on the Selection Advisory Committee.

**Samoa:** Asked for clarification on the screening process in the candidate's country. Samoa supported all the recommendations, and endorsed maintaining the current recruitment firm for consistency.

**Niue:** Concurred and supported all the recommendations.

**France:** Noted the importance of the appointment of the new Director-General given the huge changes the organisation had gone through recently. Recruiting the Director-General was a very different procedure to recruiting directors and was a major undertaking. The Director-General was the legal, political and operational embodiment of the organisation, and therefore the input of an international firm would only be useful on a secondary, administrative level. CRGA had chosen excellent candidates so far without the use of such companies, and only CRGA should be involved. If the recommendation was adopted, then France would make proposals about how the procedure was managed.

**New Caledonia:** Supported the use of an external firm for operational activities but not for decisions. Could they advise CRGA on the selection criteria and terms of reference?

**French Polynesia:** Endorsed hiring a recruitment firm, but shared the concerns of France and New Caledonia regarding the terms of reference. How would disagreements between the international recruitment firm and CRGA, especially around the pre-selection and long-listing of candidates, be resolved?

**Director-General:** Clarified that the international recruitment firm would act as an adviser only to the selection panel and on the process. Screening was done by the committee not by countries. Decisions on inclusion in the list were CRGA's; the international recruitment firm would only provide suggestions.

**France:** Questioned the value of psychometric testing for a position at this level.

### Decisions

CRGA:

- ii. appointed the members of the selection advisory committee that will undertake the selection process as follows: Chairperson – France (chair of CRGA); Australia (donor representative),

Fiji (previous chair of CRGA), Kiribati (incoming chair of CRGA), Marshall Islands (Micronesian subregion representative), New Caledonia (French-speaking representative), Papua New Guinea (Melanesian subregion representative) and Samoa (Polynesian subregion representative);

- iii. approved using the services of an international recruitment firm to assist in the process for selecting the Director-General and appointed EWK International;
- iv. approved the schedule for the selection process recommended by the secretariat; and
- v. directed the secretariat to update the Procedure for the Appointment and Assessment of the SPC Director-General to reflect recommendation ii.

## **AGENDA ITEM 7.2 – ASSESSMENT OF THE DIRECTOR-GENERAL’S PERFORMANCE IN 2012 (CLOSED SESSION)**

*CRGA met in a closed session to assess the performance of the Director-General in 2012.*

Meeting in a closed session to discuss the performance of the Director-General in 2012, CRGA decided to increase his salary to the ‘adding value’ region of the band (106%) in recognition of his excellent leadership of the organisation.

**Director-General:** Expressed appreciation for CRGA’s recognition, but said he would be satisfied with a salary at 100% of the band, noting that the success of the organisation was due to its staff.

**PNG:** Stated that the governing body had made its decision and insisted on 106%.

### **Decision**

CRGA:

Set the Director-General’s salary for 2013 at 106% on the applicable salary band in recognition of his excellent performance, his leadership of the organisation and his contribution to regional development.

## **AGENDA ITEM 8 – STATEMENTS FROM OBSERVERS**

*The meeting noted with appreciation the statements that were presented on behalf of the European Union, Pacific Islands Forum Secretariat, Secretariat of the Pacific Regional Environment Programme and University of the South Pacific (the statements are appended to this report).*

## **AGENDA ITEM 9 – CRGA 43: VENUE, CHAIRPERSON AND VICE-CHAIRPERSON**

*In accordance with its rules, CRGA decided on the arrangements for its next meeting, which will be held in the week before the 8<sup>th</sup> Conference of the Pacific Community.*

**Director-General:** SPC proposed to hold CRGA 43 on 11–15 November 2013 and the 8<sup>th</sup> Conference of the Pacific Community on 18–19 November 2013.

## Decisions

CRGA:

- i. noted that CRGA 43 will meet in Fiji from 11 to 15 November 2013;
- ii. noted that the Chairperson for CRGA 43 will be provided by Kiribati and the Vice-Chairperson by Marshall Islands.

### AGENDA ITEM 10 – OTHER BUSINESS

*Solomon Islands took the floor to express its gratitude to SPC for its assistance in making the 2012 Festival of Pacific Arts, which was hosted by Solomon Islands, a great success. The festival is one of the most important cultural events in the Pacific, and SPC's assistance across several sectors, including culture, health and media, was central to its success. In addition to the staff of SPC's Human Development Programme, the Solomon Islands country office also provided key support.*

### AGENDA ITEM 11 – ADOPTION OF CRGA DECISIONS

CRGA adopted its decisions.

### CLOSING

**Director-General:** Thanked delegates and summed up the outcomes of the meeting. He noted the positive response to the change in the structure of the agenda with the emphasis on cross-cutting approaches. He thanked executive members, singling out the Acting LRD Director and Acting PHD Director for special recognition for their accomplishments and willingness to take on the directorship on a temporary basis, and other staff for their work during the year and in making the meeting a success.

**Chair:** Thanked the Director-General and SPC staff, particularly for their rapid progress in implementing the IER recommendations and for SPC's gains in efficiency. He then declared the meeting closed.

## SPC BUDGET FOR 2013

<b>INCOME BUDGET</b> (in CFP units: 1 unit = 100 CFP Francs)					
	2012	Revised 2012	2013	2014	2015
<b>CORE FUNDING</b>					
<b>Assessed contributions :</b>					
Metropolitan Members	8 261 367	8 261 367	8 940 447	8 940 447	8 940 447
Island Members	1 133 510	1 133 510	1 634 000	1 634 000	1 634 000
<b>Subtotal</b>	<b>9 394 877</b>	<b>9 394 877</b>	<b>10 574 447</b>	<b>10 574 447</b>	<b>10 574 447</b>
<b>Host Grants</b>					
Fiji	31 988	31 988	31 988	31 988	31 988
New Caledonia	54 464	54 464	54 464	54 464	54 464
<b>Subtotal</b>	<b>86 452</b>	<b>86 452</b>	<b>86 452</b>	<b>86 452</b>	<b>86 452</b>
<b>Voluntary contributions *: (programme funding):</b>					
Australia	7 285 200	7 840 000	8 570 000	8 570 000	8 570 000
France*	1 156 000	1 160 000	480 920	480 920	480 920
New Caledonia	50 000	340 000	340 000	340 000	340 000
New Zealand	1 189 500				
<b>Subtotal</b>	<b>9 680 700</b>	<b>9 340 000</b>	<b>9 390 920</b>	<b>9 390 920</b>	<b>9 390 920</b>
<b>Other Income:</b>					
Management fees	3 222 000	3 483 771	3 691 281	2 582 000	2 600 000
Student & scholarship fees	1 203 500	791 000	292 000	292 000	292 000
Bank interest	355 300	400 000	425 000	460 000	490 000
Miscellaneous	297 400	335 000	260 000	260 000	260 000
<b>Subtotal</b>	<b>5 078 200</b>	<b>5 009 771</b>	<b>4 668 281</b>	<b>3 594 000</b>	<b>3 642 000</b>
<b>Total Core Income</b>	<b>24 240 229</b>	<b>23 831 100</b>	<b>24 720 100</b>	<b>23 645 819</b>	<b>23 693 819</b>
<b>Reserves transfers from (to)</b>					
Foreign Exchange Reserve	284 571				
General Reserve	(49 100)			962 481	1 258 581
Carried forward funds	672 700				
<b>Total transfers</b>	<b>888 171</b>			<b>962 481</b>	<b>1 258 581</b>
<b>TOTAL CORE FUNDING</b>	<b>25 128 400</b>	<b>23 831 100</b>	<b>24 720 100</b>	<b>24 608 300</b>	<b>24 952 400</b>
<b>PROJECT FUNDING</b>	<b>72 468 200</b>	<b>82 541 100</b>	<b>70 000 900</b>	<b>39 612 350</b>	<b>18 207 300</b>
<b>TOTAL (CORE AND PROJECT)</b>	<b>97 596 600</b>	<b>106 372 200</b>	<b>94 721 000</b>	<b>64 220 650</b>	<b>43 159 700</b>

\* from FY2013, a significant portion of France's former voluntary contribution has been converted to become part of the country's assessed contribution and increase SPC's funding security. Australia's and France's contributions are net of management fees.



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## OBSERVER STATEMENTS

**SPC 42<sup>nd</sup> CRGA  
12-16 November 2012**

### **Intervention by the Delegation of the EU to the Pacific**

Mr President  
Director General of the SPC,  
Excellencies and  
Representatives of the Pacific island countries and members of SPC Ladies and gentlemen,

The EU has developed a strong relationship with the Pacific Region, marked by a determination to work together to face critical global challenges, from the achievement of the Millennium Development Goals to alleviating adverse effects of Climate Change. Between 2007 and 2013, EU development cooperation with Pacific ACP countries and Overseas Countries and Territories amounts to €840 million. Most of these funds are provided by the 10th European development Fund bilaterally or regionally and complemented by EU budget thematic funding such as the Global Climate Change Alliance and the Research framework.

The EU-Pacific cooperation has worked well in supporting the expansion of energy efficiency in the region, in improving access to water, in the area of rural development and in managing and preserving the region's natural resources, including ocean and coastal fisheries.

We have seen it through this week sessions and reports, SPC is one of the main regional partners of the EU in the Pacific. The number of projects implemented through SPC has increased considerably. The land division, the fisheries division and of course the SOPAC division are helping implementing projects for the benefit of the 15 Pacific ACP countries and 4 Overseas Countries and Territories.

The 10th EDF programmes will soon be fully committed. The 2014-2020 programming is at the door with bilateral dialogue taking place in most Pacific ACP countries and a first regional consultation that took place in Suva last month. The principles for future cooperation embedded in the EU Agenda for Change will guide our work.

Together with its 27 Member States, the EU is the second largest donor in the Pacific. Despite the crisis at home, it remains committed to support all its developing partners, although in a differentiated way as it recognises the need to distinguish between the least developed countries and small vulnerable island states and the countries that have been able to achieve high growth rates. In the future, giving poor people better access to resources such as land, forests, food, water and energy without harming the environment will be given special emphasis as these sectors are key to the transition to a green economy.

Relations between the EU and partner countries are based on shared values of human rights, democracy and the rule of law as well as the principles of ownership and of mutual accountability. Therefore support to partners will be adapted to their development situation but also to their commitment and progress with regard to good governance.

Successful development cooperation also requires significant progress on gender equality, empowerment and opportunities for women, including through political and policy dialogue, gender mainstreaming in policies and programmes, and specific actions.

The agenda for change will not be the only guide for the EU future cooperation. The aid effectiveness agenda will also be at its core.

The Pacific is probably the region of the world with the most important number of coordination networks. Still beneficiary countries struggle to understand who does what and how. They face a multitude of bilateral and multilateral donors and rightly complain about the complexity of their procedures and reporting requirements or their different timeframes and mission calendars. Why is this so when most development partners are genuinely trying their best to apply the aid effectiveness principles?

It seems now evident that aid effectiveness cannot be driven by donors alone. The beneficiaries themselves must take the lead. Pacific ACP governments, guided by their parliaments and their civil society, must be in the driving seat and lead the donors' coordination process.

The year to come will be an important test as the 11th EDF programming is being negotiated. The EU will actively promote joint programming with its member states but also co-financing with like-minded partners, and will hope that the beneficiary countries themselves as well as the regional organisations will come forward with concrete multi-donor proposals. It will also be crucial for the Pacific to choose the focal sectors for future EDF intervention carefully and to limit them in number and in scope in order to allow for longer and more sustainable targeted programmes with a view to achieving greater impact.

This leads me to the last point of my intervention: the evaluation and monitoring of projects and programmes. I was particularly interested to hear about the IRIS tool that will no doubt add to the quality of reporting on results achieved on the ground at the regional and national level. But measuring a programme success and performance is a complex and specialized task that will require dedicated expertise and staff. It has to do with efficiency and effectiveness and with cost-benefit analysis but also with qualitative assessments. In this regard I would like to remind our partners that the 10th EDF programme caters for a technical assistance facility that can be called upon for financing support in the area of evaluation. This Technical cooperation facility will continue under the 11th EDF, and I would encourage SPC to work together with the Pacific Forum Secretariat in making the best use of these funds. I believe that the work achieved so far by SPC would greatly benefit the PIFS reflexion on how best evaluate and monitor progress made against the Pacific Plan targets.

I will end by thanking Jimmie Rodgers and the SPC staff for their commitment to the Region and their continuous efforts to promote the principles of good governance that are dear to the EU.

Je souhaite à la CPS de continuer à soutenir ses Etats membres les plus fragiles avec toujours autant de ferveur et 'a titre personnel, je remercie les représentants des Etats ACP et des PTOM pour leur chaleureux accueil et leur constante bienveillance.

(Intervention made by Annick VILLAROSA, Head of Sector Natural Resources and Environment)



**42<sup>nd</sup> Meeting of the Committee of Representatives of Governments and Administration (CRGA)  
Noumea, New Caledonia 12-16 November 2012**

**Remarks by Alexander Knox, Pacific Plan Executive Officer,  
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Pacific Islands Forum Secretariat**

Madame Chair of the CRGA;  
Director General, Dr Jimmie Rodgers;  
Distinguished delegates;  
Fellow observers;  
Colleagues.

Thank you, Madame Chair, for the opportunity to address this meeting on behalf of the Pacific Islands Forum Secretariat.

2. I bring you warm greetings and best wishes for a successful CRGA from the Secretary General of the Pacific Islands Forum Secretariat, HE Tuiloma Neroni Slade. I have also been asked by Deputy Secretary Feleti Teo to pass on his regards and regrets at not being able to attend this meeting due to preparations for a special Forum Officials Committee. As many of you would be aware, Deputy Secretary Teo will step-down from this position in April next year. He has been a regular attendee at CRGA and told me that he will miss his annual pilgrimage to New Caledonia and the opportunity to engage with the Members and staff at the Secretariat of the Pacific Community. While he may be ending his time with the Forum Secretariat, I am sure that Deputy Secretary Teo will continue to serve the region with distinction in whatever role he chooses to take on.

3. I have been attending the CRGA for the past 3 years, and it is obvious that the agenda for change and reform continue to broaden and deepen across all CROP agencies. Similar to SPC, the Forum Secretariat is facing major challenges to refocus its work and demonstrate results. As delegates to the CRGA would be aware, the Forum Secretariat was subject to a major review earlier this year. The review, which was commissioned by Leaders with the support of the previous Chair of the Forum, New Zealand, undertook a rapid assessment of the effectiveness and efficiency of the Forum Secretariat. The outcomes of the review, which were discussed by the Forum Officials Committee meeting in August, were also considered by Leaders at their meeting in the Cook Islands in September this year.

4. Leaders, and I quote from the 2012 Communiqué, “agreed that in light of the imminent review of the Pacific Plan in 2013, that the recommendations of the Review Report, in particular the restatement of the core business of the Secretariat and its senior management structure be considered as part of the review of the Pacific Plan. Leaders also urged the Secretariat to take into account the Review Report in its ongoing corporate and budget reform efforts.” In implementing the directions of Leaders, the Forum Secretariat has sought to continue to implement a reform agenda that is consistent with the recommendations of the review. For example, we are reviewing the strategic planning frameworks that support the work of the Secretariat, in particular to improve the effectiveness of our monitoring and the quality of our reporting. A Communications Strategy is also in the pipeline to

improve the profile and capacity of the Secretariat to get its message across. This work will continue over the next year.

5. Following on from the Leaders meeting in the Cook Islands earlier this year, a key priority for the Forum Secretariat will be supporting the review of the Pacific Plan. This will be the first independent and comprehensive review of the Plan to be led by an Eminent Person since the Plan was endorsed by Leaders in 2005. Leaders agreed that the review would be led by Sir Mekere Morauta, a former Prime Minister of Papua New Guinea. With the gracious assistance of the Government of Papua New Guinea, Sir Mekere will be supported in this work by Mr Robert Igara. The details of the remainder of the team, including the two representatives of Member governments and the two consultants, are close to being finalised.

6. The purpose of the review will be to build regional consensus on the future direction of the Pacific Plan and provide a platform for prioritising regional integration and cooperation efforts in the Pacific over the next decade.

7. The Review will cover a wide range of issues, including lessons-learnt since 2006, the strategic underpinnings of regionalism, governance arrangements, and how best to track performance of the Pacific Plan. It will also consider how sub-regional arrangements, such as Smaller Island States, can be better supported through regional efforts. A key product of the review will be a revised Pacific Plan.

8. The Review team will consult widely and visit every Forum Island Country, as well as Associate Members, New Caledonia and French Polynesia. The team is expected to meet with a broad range of stakeholders, including politicians, government officials, CROP Executives and their staff, development partners, and representatives from the private sector and civil society. The Review will also seek public submissions via the Pacific Plan Review website and contributions will be published on-line.

9. The Review team will be conducting country consultations from January to April 2013. Their initial findings will be presented to a special session of the Pacific Plan Action Committee meeting, to be held in Suva in May 2013. This will be followed by further consultations leading up to the second meeting of the Pacific Plan Action Committee in July 2013. The draft final report will be presented and discussed with Leaders at their meeting in the Republic of the Marshall Islands in the second half of 2013.

10. The Review team is expected to meet in Suva in mid-December to start developing the methodology for the review. This will include considering how best to engage with CROP agencies and their governance mechanism, such as the CRGA.

11. Madame Chair, SPC remains a critical partner in the Pacific Plan. As in past years, SPC has again reported on implementation of activities to support key priorities under the Plan. Along with reporting by Members and other CROP agencies, this work will be published next month in the Pacific Plan Annual Progress Report for 2012 and accompanying annex. As has been done for the last two years, the Annual Progress Report will again be produced in English and French.

12. In closing, I would like to recognize the leadership of the Director General of SPC and the dedication of his staff towards the realisation of the Leaders vision in the Pacific Plan. They are fully engaged in the process of developing and implementing regional policy, and are considered long-term partners in this regard. Their contribution has made a difference.

13. Madame Chair, Director General, thank you once again for the opportunity to participate as an observer to this CRGA meeting. I think I can safely say for both our organizations that, "the only constant is change". I look forward to a productive partnership between SPC and the Forum Secretariat over the coming year.



**SPREP Observer statement to the 42<sup>nd</sup> CRGA  
Noumea, November 2012**

SPREP commends the achievements of SPC over the past year, particularly during the transition following the RIF process. SPREP's partnership with SPC is particularly important to us and we appreciate the increase in this cooperation over recent years.

SPREP's change management process has been underway for 3 years and is now showing tangible results. These include a significant increase in technical and financial support to Pacific Island Members and improved partnerships with other CROP agencies.

The new SPREP Strategic Plan has sharply focused our work on 4 areas: biodiversity and ecosystems; waste and pollution; environmental governance; and climate change.

SPREP has implemented a climate change program for 25 years in the Pacific region and our work covers the full range of activities from policy support for member countries in the United Nations Framework Convention on Climate Change to practical on the ground actions such as those implemented through the Pacific Adaptation to Climate Change program.

SPREP's role as the secretariat for the Pacific Meteorological Council enables us to support Pacific countries and territories in their fundamental role of monitoring and understanding climate change in the Pacific region.

We aim to link our programs with SPC as much as possible, particularly through our on the ground activities in support of our members, and we note the existing Memorandum of Understanding between SPREP and SPC to this effect.

The recent SPREP meeting, also held here at SPC headquarters, requested the secretariat to establish country-hosted presences in the Federated States of Micronesia and the Republic of Marshall Islands by placing a technical desk officer in each of these locations before mid 2013 for a one year trial period. This will be done with a view to updating a cost-benefit analysis of a sub-regional office for the North Pacific for reconsideration by the SPREP meeting in 2014. We intend to explore the possibility of co-location with SPC in the Federated States of Micronesia in establishing a sub-regional presence. SPREP will also explore options for strengthening our work in Melanesia in cooperation with Member countries and the Melanesian Spearhead Group Secretariat.

To conclude, I would like to reiterate our appreciation of our partnership with SPC, and we look forward to increasing our cooperation over the years ahead.

## **The University of the South Pacific**

### **Dr Esther Williams, Deputy Vice Chancellor, Administration and Regional Campuses**

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Thank you Chair for giving the University of the South Pacific the opportunity to make a statement, as an observer, to the 42<sup>nd</sup> CRGA.

I wish to make my comments under two headings:

1. overall general comments; and
2. specific comments related to papers that were discussed.

#### **Overall general comments**

The USP is pleased to be present at this meeting. We recognize the good work that SPC is undertaking in many technical and specialised areas. We also acknowledge the greater collaborative work that is now evident in many key areas of work by CROP members. USP is pleased to be working with SPC on a number of key tasks given to us by our leaders. Some of these include: ICT Regional Strategy implementation and review; ICT for Education Regional Strategy; E-Government; TVET Regional Strategy; Climate Change; RRRT work on the offering of a Diploma in Leadership, Government and Human Rights; working with SPC on the Pacific Youth Framework; and Pacific Cultures and Societies; and gender. While work in these areas are notable, there is much that needs to be done still to ensure deeper collaboration between CROP agencies, sharing of expertise and funding and also enabling CROP officers to work with USP as adjunct fellows and lecturers. These joint initiatives are being pursued.

An area that I wish to make special comment is that on gender which has been raised in this Forum as a priority; gender in terms of internal operations and management of SPC. Sometime ago, CROP agencies were all asked to put in place gender policies in terms of the recruitment of staff, opportunities especially in senior management, staff talent development and mentoring; representation in committees. The implementation is monitored closely and reported to the CROP Heads meetings. My observation is that SPC is far from a balance where of the 10- 12 senior officers in SPC only 1 is a woman, one of the two DDGs Dr Fekita 'Utoikamanu; who for the interest of this Forum, was elected and appointed as the Deputy Chair of our USP Council. USP has 10 Senior Management Officers and 6 of the 10 are women.

#### **Specific comments:**

The first relates to the IER and its recommendations and actions to be implemented. There are two recommendations that relate specifically to USP.

#### **Recommendation 12 involving transferring SPC ICT operations/responsibilities to USP.**

I can report that USP has held discussions with SPC on transfer of work in ICT under the responsibility of SPC to move to USP.

To note that the two organizations share the chair of the Forum ICT Working Group.

Key activities being undertaken of cyber security, ICT in education framework, EGovernment, issue of accessibility, capacity building are already undertaken by the USP so transferring these will fit into USP work which now is firmly covered in the Council approved USP Strategic Plan 2013 – 2018 which has ICT as one of the seven priorities. There is other work that is also being considered and that is SOPAC's work on the establishment of a High Performance Computing data system which USP is undertaking. Agreement has been reached that we will work together on this as it is a specialized development needing skilled people and resources. A joint and collaborative approach is the best way forward.

Work on connectivity – cable, wireless etc – is a CROP responsibility which USP and SPC will be moving ahead.

In terms of whether developments and work will cover all SPC countries and the response is yes. USP connectivity already covers other countries than the 12 USP members. Technically it is not a problem; and also strategically and regulatory it is also not a problem as the Pacific Islands Regulatory Resources Centre currently housed in USP as approved by our leaders has a Board that covers the SPC region.

SPC and USP will continue to work together and report to CRGA on progress.

#### **Recommendation 7 on transferring CETC training programme to USP**

Discussions between SPC and USP is continuing on the process of transfer of this important programme to take place in 2014 as the timeline. Work plan being developed taking us to 2014.

- (i) The first issue of continuing quality and expansion:

The programme is an excellent one and of high quality appreciated by all members. USP recognizes the importance and relevance of this programme as it serves a need in the region. The objective is to ensure the quality programme continues but available widely; it will not only ensure continuation but strengthen and ensure wider availability of the programme by offering the programme by blended mode - that is face to face, by distance and flexible learning and in-country as well. The programme will be based in our long established Regional and Continuing and Community Education Centre which runs such similar programmes. The centre focuses on lifelong learning programmes which are accredited not only by FHEC but internationally also.

In our approved 2013 – 2018 Strategic Plan, there are plans for strengthening this unit and no doubt this programme will therefore continue and this is an assurance I can give to this forum.

Will the programme be offered in all SPC member countries not part of USP

The answer is yes as we do so already for a number of our programmes. The use of distance and flexible learning mode will ensure we reach more students than the 30 or so annually enrolled in this programme. We will offer the programme online using USPNetwork.

- (ii) Can we work with our French based institutions

We already work with the University of New Caledonia under an MOU; and so too University of French Polynesia so working with these two institutions will not pose a problem. To note that based on Vanuatu government request, USP will be offering some of its programmes in French and this could be something we consider for this programme which will only strengthen it further.

In marketing this programme and the transfer: We hope to have a FAQ for all members so you are informed of progress made.

### **Other points of interest**

1. IER point - Pacific arts and culture – currently there are no plans for this to go anywhere. Pacific arts and culture is a USP priority and based on our programmes and capacity, USP could consider some aspects of this section.

2. Decentralisation and Atoll research

This was discussed at length. Some discussion has taken place between the heads of SPC and USP as to how we can use space in USP campuses in its 14 campuses.

There was a discussion at this Forum on the need for an Atoll Research Unit to be based in Kiribati referring back to an agreement made in 2008 by our leaders. There was discussion that there is a need for this but no funding forthcoming.

Just to note that the USP is building a new campus in Kiribati beginning 2013 with funding from ADB. The USP Atoll Research Unit is included in the plans. Perhaps this can be considered as a shared facility too.

We look forward to working more closely with SPC on other programmes, more than we have done so previously.

**Dr Esther Batiri Williams**

**14 November 2012**