



SECRETARIAT OF THE PACIFIC COMMUNITY

OUTCOMES OF THE SPECIAL SESSION OF THE COMMITTEE OF REPRESENTATIVES OF GOVERNMENTS AND ADMINISTRATIONS (SPC, Suva, Fiji, 6 – 7 August 2012)

1. A Special Session of the Committee of Representatives of Governments and Administrations (CRGA) was held in Suva, Fiji, 6–7 August 2012, to discuss the recommendations of the Independent External Review (IER) of the Secretariat of the Pacific Community (SPC) conducted in the first half of 2012 and the plans for implementing the agreed recommendations.
2. The meeting was chaired by H.E. Litia Mawi, Fiji's Roving Ambassador to Pacific Island Countries, and attended by representatives of the following members of the Pacific Community – Australia, Cook Islands, Federated States of Micronesia, Fiji, France, French Polynesia, Guam, Kiribati, Marshall Islands, Nauru, New Caledonia, New Zealand, Niue, Palau, Papua New Guinea, Samoa, Solomon Islands, Tokelau, Tonga, Tuvalu, Vanuatu, United States of America and Wallis and Futuna – and by Mr James Adams, the leader of the IER team, and an observer from the Pacific Islands Forum Secretariat.
3. The meeting noted that at their 2011 meetings, CRGA 41 and the 7th Conference of the Pacific Community endorsed the commissioning of the independent review and terms of reference with the aim of considering SPC's broader role in regional development, its strategic direction and core business, programme coverage and service delivery, decentralisation, operations, finance and management, and the relevance and effectiveness of its services to its Pacific Island members. The review was informed by the report of an Expert Reference Group, which was convened in January 2012 to analyse in depth the effectiveness of SPC's work in addressing relevant technical sectors and cross-cutting priorities.

Findings of the independent review

4. The team leader presented a summary of the findings and recommendations of the IER, which emphasised the following points:
 - i. The strong engagement and constructive contributions of members during the review process;
 - ii. The high quality of the technical services delivered by SPC, its comparative advantages in providing these services and their critical importance for small island states in particular;

- iii. The need for changes in programmes where national capacity has evolved, or there was no apparent ownership of a programme at national level, or where some small programmes lacked critical mass;
- iv. The need to ensure SPC takes full advantage of combined programme strengths in addressing multi-sectoral areas such as climate change;
- v. The importance of the recommended reforms in retaining members' and donors' confidence and ensuring continuation of the required level of sustainable funding;
- vi. The benefit of a modest increase in the contributions of client members in sending a signal to development partners on the region's ownership of the organisation;
- vii. The need for restructuring of organisational systems relating to finance, planning and human resources, including recruitment, to meet the needs of an organisation that has expanded significantly in terms of mandate, budget and staffing;
- viii. The need for full implementation of a monitoring and evaluation (M&E) system that will enable the organisation, members and development partners to assess delivery of services and progress on meeting programme objectives;
- ix. The benefits of more effective outreach in communicating SPC's work and achievements to members and existing and potential development partners;
- x. The need for adequate resources for translation in recognition of SPC's status as a bilingual international organisation;
- xi. The need for financial resources, including an immediate injection of 2 million CFP units, to support effective implementation of the recommended reforms.

5. The Special Session of CRGA congratulated the review team on its positive and comprehensive report and welcomed its focus on ensuring SPC's services are determined by members' needs and assessment of where regional action adds value to national efforts, and its emphasis on improved M&E to enhance SPC's capacity to report results to members and donors. The meeting noted that the timing of the review was appropriate following the expansion of SPC due to the reform of the Regional Institutional Framework and the need to ensure it has the right senior management structure and systems, backed by adequate resources, to act strategically in responding to challenges and delivering regional services. The meeting also noted that members reserved the right to comment on the individual recommendations in the detailed discussions.

Consideration of the recommendations of the IER

6. The Special Session of CRGA considered the 42 individual recommendations of the IER and reached consensus as follows:

7. Recommendation 1 – The activities of the Applied Geoscience and Technology Division (formerly SOPAC) will remain core functions of SPC, but SPC should conduct a review of the best placement of the Water and Sanitation Programme, taking into account the views expressed by members, and provide an update at CRGA 42.

8. Recommendation 2 – SPC will review the functions of its Public Health Division and produce a revised strategy for the division that focuses on a prioritised set of themes based on recent decisions of both Pacific Leaders and Pacific Health Ministers and the advice of the Expert Reference Group.
9. Recommendation 3 – SPC will retain some grant management capacity, to be located under the Programme Deputy Director-General.
10. Recommendation 4 – The Secretariat will present more information to CRGA 42 in November 2012 regarding the location of the Regional Rights Resource Team (RRRT), with consideration given to moving some or all of its functions to another organisation or retaining it at SPC.
11. Recommendation 5 – SPC will actively work to mobilise adequate resources for its gender programme, moving leadership for this work to the Strategic Engagement, Policy and Planning Facility (SEPPF), while providing stronger outreach support to members and ensuring that the mainstreaming of gender issues is actively pursued by all its divisions.
12. Recommendation 6 – SPC will mainstream youth across its programmes and no longer maintain a separate youth programme. CRGA noted the initial response from UNESCO that it cannot absorb the current work undertaken by SPC on culture and further noted the Secretariat's intention to provide options for discussion at CRGA 42.
13. Recommendation 7 – CRGA welcomed the Secretariat's initiative in having begun discussions on the divestment of the Community Education Training Centre's (CETC) programmes with the University of the South Pacific and acknowledged the early positive response from USP to the IER's recommendation. CRGA recognised the value of CETC's work in providing practical training opportunities for Pacific women and noted the Secretariat's intention to conduct the final CETC training programme in 2013, which will allow time for the divestment process. CRGA also emphasised the need for CETC to have stronger engagement with the French territories in its training programme.
14. Recommendation 8 – SPC will lead a study to determine SPBEA's (Secretariat of the Pacific Board for Educational Assessment) future role in regional assessment and to identify how it can effectively work to improve educational quality in the Pacific, while maintaining a clear focus on performing its core activities to an international standard and also extending its relevant services to Francophone members. CRGA noted that the review of SPBEA will be carried out with the participation of members.
15. Recommendation 9 – The Secretariat will provide further details to CRGA 42 on the 'right-sizing' of the Regional Media Centre and the transfer of skills to support an enlarged SPC outreach capacity and the communication needs of the Office of the Director-General.

16. Recommendation 10 – The Fisheries, Aquaculture and Marine Ecosystems Division's (FAME) services are in high demand in the region and will remain part of the core business of SPC.
17. Recommendation 11 – The Land Resources Division (LRD) is engaged across a number of central economic and scientific issues facing the Pacific and its services will remain a core function of SPC. Recognising the importance and regional significance of the work of the Centre for Pacific Crops and Trees (CePaCT), CRGA agreed it should be funded with a stable and appropriate level of core funding. The meeting also agreed that LRD should work to consolidate synergies between its work programme and those of bilateral and multilateral regional programmes to ensure alignment of priority setting and service delivery to Pacific Island countries and territories.
18. Recommendation 12 – The Economic Development Division (EDD) has a key role to play in the areas of energy and maritime transport. CRGA welcomed the Secretariat's initiative in beginning discussions on the possible transfer of the ICT programme to USP, which has strong capacity in ICT, and acknowledged the early positive response from USP to the IER's recommendation, while noting that not all SPC members are USP members and that not all Pacific Community members enjoy good access to ICT services, particularly in remote areas. The Secretariat will provide an update to CRGA 42 on the outcome of discussions relating to the possible transfer of ICT functions to USP.
19. Recommendation 13 – In view of the important role of statistics in policy development and investment decisions, the Statistics for Development Programme will become a self-standing division of SPC in January 2013 and will be managed in the same way as SPC's other technical divisions.
20. Recommendation 14: Most Pacific Island country and territory members accepted the IER recommendation to increase their assessed contributions by a total of 500,000 CFP units, with CRGA noting the reservations of a few members. CRGA agreed that the Secretariat will incorporate the increases in its 2013 budget and will present the final allocation of assessed contributions as part of its budget presentation to CRGA 42, taking into account the possible changed circumstances of some members. The meeting further agreed that SPC should recommence the three-yearly review of the formula used to calculate assessed contributions.
21. Recommendation 15: SPC will issue each member with a single consolidated invoice for the total membership contributions for SOPAC, SPBEA and SPC, starting with the invoices for 2013.
22. Recommendation 16: The meeting noted the agreement by the three host countries (FSM, Fiji and New Caledonia) to the IER's recommendation that host country grants be separated from assessed member contributions and that consideration be given to raising the grants in line with the economic benefits that flow to host countries. The meeting further noted that the Secretariat will work with the three countries and will provide an update to CRGA 42 on the funding level and the formula to be used in determining the respective shares to be met by each host country, with the view that the new formula will be applied in the 2014 SPC budget.

23. Recommendation 17: The Director-General will undertake an annual visit to all of the metropolitan members of SPC and to other major funders including the EU, focusing on key aspects of SPC's work programme, its record of delivery and, most critically, its funding needs.
24. Recommendation 18: SPC's senior management will engage with the Japanese authorities on their willingness to consider ways they could provide appropriate support for SPC.
25. Recommendation 19: SPC will put in place a strategy to engage emerging donors from East Asia as well as seeking other new sources of development funding. The consultation strategy will provide guidelines on partnerships and modalities of engagement and will seek to enhance sustainable financing for member priorities. Noting the decisions taken on recommendations 17 and 18 and bearing in mind any conditionality that may be tied to new contributions, SPC will develop the strategy over the next 12 months for presentation to CRGA.
26. Recommendation 20: SPC will continue to take advantage of cost recovery activities wherever they emerge. CRGA noted that the Strategic Engagement, Policy and Planning Facility (SEPPF) will undertake an assessment of services where cost recovery could be applied.
27. Recommendation 21: SPC will ensure that its capability to deliver effective implementation services to small island members is developed as a high priority.
28. Recommendation 22: CRGA noted with appreciation the receptiveness of metropolitan members to the need to increase core funding and welcomed the willingness of some members to consider converting programme funding and perhaps some project funding in response to the IER's recommendation to increase SPC's core funding from the current 15 million CFP units to 35 million CFP units within a 3-year timeframe. CRGA emphasised the requirement for SPC to demonstrate results and clearly articulate the services that will be funded under the increased levels of core funding. The Secretariat will provide further updates to CRGA 42.
29. Recommendation 23: SPC's senior management will approach the European Union to discuss the possibilities for moving to modes of financial support that offer more flexibility than the present project mode.
30. Recommendation 24: SPC will increase the level of its reserves by between 3 and 5 million CFP units (noting the previous decision of CRGA 41) to provide it with the capacity to effectively respond to unforeseen fluctuations in financing and other contingencies.
31. Recommendation 25: Australia, France and New Zealand agreed to consider resuming multi-year funding commitments, noting that there were constraints on funding modalities for some. Australia indicated support but, referring to the decision on Recommendation 22, stressed that it would be dependent on implementing the agreed reforms and being able to demonstrate results.
32. Recommendation 26: Metropolitan members agreed with the recommendation that to ensure

support for the implementation of the reform programme, a one-time injection of 2 million CFP units should be considered by donor partners. The meeting noted Australia's willingness to contribute in cooperation with other metropolitan members, and further noted the indication by these other members that they could not commit to such funding at this point.

33. Recommendation 27: SPC will make efforts to establish a consultation/funding mechanism to ensure that the French and American territories can benefit from regional projects or initiatives funded through EU and USAID project funding. CRGA requested that SPC further consider the matter and present an update to CRGA 42.

34. Recommendation 28: As a one-time expenditure, SPC will initiate a fund raising effort to mobilise resources to consolidate and replace its facilities in Suva. The meeting welcomed Fiji's statement that it will present an update on the issue of land and financing for such facilities at CRGA 42.

35. Recommendation 29: SPC will maintain the current chairing arrangements for its key annual governance meetings, which allow for rotation of the chairing role between all members. The meeting agreed that reports to such meetings should be results focused and indicate the level of resources allocated to each member. The meeting further agreed that the Secretariat will update future CRGA meetings on its progress on the reforms.

36. Recommendation 30: CRGA was pleased to note that the Audit Committee proposed by SPC and approved by CRGA 41 last year will be established as soon as possible and will have its first meeting before CRGA 42. The meeting further noted the IER recommendation that the Audit Committee will be supplemented by a Programme and Funding Committee, and that the Secretariat will provide an update on this to CRGA 42.

37. Recommendation 31: A small Management Advisory Group will be established to work with senior management on the reform programme. The group will report to the Director-General, who will be held responsible by CRGA for progress in implementing the reforms. The meeting noted Australia's nomination of Mr Alan Morris for this group.

38. Recommendation 32: A Senior Management Team comprising the Director-General, the three Deputy Director-Generals and the Director of SEPPF will be established to provide systematic oversight of SPC's strategy and operations and to support the Director-General in managing SPC.

39. Recommendation 33: There will be a modest increase in the Office of the Director-General to ensure proper support for the Director-General's expanded role in SPC's outreach efforts.

40. Recommendation 34: CRGA agreed to the IER recommendation to establish three Deputy Director-General (DDG) positions – a Programme DDG and a Finance and Services DDG, to be located at headquarters, and a DDG Special Representative for Suva.

41. Recommendation 35: CRGA agreed that SPC will consolidate two specialised groups under the Programme DDG: a Programme Support Group consisting of specialist skills in implementation support and grant management relating to technical programmes; and a Coordination Team for Climate Change. The meeting noted that SEPPF will provide the necessary support to the Programme DDG and the two groups, and that procurement, which is a corporate-wide role, will remain with the DDG Finance and Services.
42. Recommendation 36: SPC will prioritise the strengthening of SEPPF, noting that direct planning and delivery of services at the programme level will remain with the Programme DDG and programme directors, with SEPPF playing a supporting role in this area.
43. Recommendation 37: CRGA agreed that SPC will take a measured and careful approach to future decentralisation. The meeting further agreed that the next step is appropriately the review and discussion of SPC's proposed decentralisation policy at CRGA 42. The meeting also noted Solomon Islands' request that SPC explore the possibility of upgrading the country office in Honiara to a subregional office.
44. Recommendation 38: SPC will give highest priority to modernising its financial systems.
45. Recommendation 39: CRGA noted that the Secretariat has already advertised a Director-level position for a human resources professional to manage its HR functions and take responsibility for developing and implementing a programme to address weaknesses identified in current systems.
46. Recommendation 40: CRGA noted SPC's commitment to making concerted efforts to recruit a diverse international staff, consistent with its role as an international organisation, with hiring continuing to remain merit based.
47. Recommendation 41: SPC will establish an Operations Manual that includes all of its corporate policies, and will specifically develop a clear policy for delegation of decision-making.
48. Recommendation 42: SPC will review its translation services and information technology functions as part of the budget-setting process, recognising the shortage of staff and resource constraints in these areas.

Director-General's interim report

49. The Special Session of CRGA acknowledged the Director-General's report of highlights of SPC's work since the 41st meeting of CRGA in November 2011, commending the work of programmes and noting in particular:
- i. the value of the joint country strategies and suggested modifications of the process to review existing strategies and develop new JCSs;
 - ii. progress in addressing issues raised in the IER, including in relation to human resources and recruitment;

- iii. the importance of long-term sustainable funding to support agreed priorities that will be incorporated in the new corporate plan;
- iv. the Secretariat's implementation of a new monitoring and evaluation (M&E) policy, which will be supported by an on-line M&E database system that is already being piloted in some divisions and that will enable tracking of programme work at country level;
- v. the commitment of the members concerned to addressing arrears in their contributions.

Increased contribution from New Caledonia

50. The Special Session of CRGA expressed great appreciation for New Caledonia's commitment to increasing its voluntary contribution to SPC in 2013 and 2014 and to covering the cost of necessary renovation and extension of SPC headquarters.

Consideration of draft outline of new corporate plan 2013-2017

51. The Special Session of CRGA endorsed the proposal to develop a new corporate plan for SPC for 2013–2017, noting the need to incorporate the reforms resulting from the IER, address members' identified priorities, and take into account regional developments over the past six years including the implementation of the 'Pacific Plan for strengthening regional cooperation and integration' (2005) and the reform of the Regional Institutional Framework, which expanded the scope and coverage of SPC's work. The meeting noted the schedule for further consultation with members in developing the plan and that a full draft of the plan will be presented to CRGA 42 for its consideration.

Proposed draft agenda for CRGA 42

52. The meeting noted the proposed draft agenda for CRGA 42, particularly the plans for a major shift in the presentation of SPC's work. The Director-General advised that divisional reports will be tabled but not individually presented. Instead key results, achievements and challenges for each division will be included in the Director-General's report. Technical divisions will, however, make joint presentations on work addressing key cross-cutting issues and priorities. A major focus for CRGA 42 will be consideration of the plan for implementing the IER recommendations and progress in this implementation. CRGA 42 will also consider SPC's proposed new corporate plan. The Director-General invited members to send him their comments on the proposed agenda for CRGA 42.

Closure of the SOPAC Commission

53. The Special Session of CRGA acknowledged the receipt of a joint letter signed by Dr Russell Howorth in his capacity as Director of the SOPAC Commission and Dr Jimmie Rodgers, Director-General of SPC, confirming the full and effective closure of the SOPAC Commission. In advising the Special Session of this final landmark achievement, the Director-General commended the work of Dr Howorth, who was instrumental in the effective implementation of the Regional Institutional

Framework reforms as they related to the integration of SOPAC with SPC in January 2011 as the Applied Geoscience and Technology Division. The Director-General advised the meeting that all the requirements for the formal closure of the SOPAC Commission had now been completed with the finalisation of its closing audit. The meeting noted that the joint letter served as the final communication confirming that the 'Letter of Agreement of August 2010' was fully implemented and that the SOPAC Commission was now suspended in accordance with the decision of the last SOPAC Commission Governing Council Meeting held in October 2010.
