



**FORTY-NINTH MEETING OF THE  
COMMITTEE OF REPRESENTATIVES OF GOVERNMENTS AND ADMINISTRATIONS**  
(18–20 June 2019, Noumea, New Caledonia)

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**AGENDA ITEM No. 5: Report from the CRGA Subcommittee on Strategic Plan Implementation**

(Paper presented by the Secretariat)

**Summary**

1. The CRGA Subcommittee on Strategic Plan Implementation (the Subcommittee) met on 22 and 23 May 2019, to consider and review the Secretariat's reporting on the Pacific Community's (SPC's) performance and results achieved in 2018. The Subcommittee makes recommendations or expresses its views to CRGA and the Secretariat on each of these matters, as outlined in this paper:
  - i. the draft Pacific Community Results Report 2018;
  - ii. SPC's long-term financial sustainability;
  - iii. SPC's country programming and integrated programming;
  - iv. the Mid-Term Review of the Pacific Community Strategic Plan 2016–2020;
  - v. a draft roadmap for developing the next Pacific Community Strategic Plan.

**Recommendations**

2. CRGA is invited to:
  - i. note the recommendations made by the Subcommittee, to assist CRGA in its annual consideration of the Secretariat's progress in implementing the Pacific Community Strategic Plan 2016–2020;
  - ii. endorse the Pacific Community Results Report 2018, noting that the Secretariat has incorporated the improvements suggested by the Subcommittee;
  - iii. direct the Secretariat and encourage all development partners to work to increasing the level of project management fees (PMF) towards the target rate of 15%;
  - iv. direct the Secretariat to actively pursue strategic partnerships and fundraising to increase SPC's annual project portfolio;

- v. recommend that members pay, where possible, assessed contributions, host country grants and voluntary contributions in euro;
- vi. encourage all development partners to consider shifting from a project to a programme funding modality to provide greater predictability and a multi-year commitment under the Pacific Community Strategic Plan;
- vii. direct the Secretariat to continue its engagement and consultations with members around the review of assessed contributions and host country grants;
- viii. direct the Secretariat to continue its programming efforts, including appropriate resourcing, across both integrated and country programming, acting on the recommendations of the Mid-Term Review of the Pacific Community Strategic Plan 2016–2020 and feedback from member states;
- ix. note the Secretariat's update on the Mid-Term Review of the Pacific Community Strategic Plan 2016–2020, including the findings of the performance analysis;
- x. direct the Secretariat to use the review findings and management response to inform course corrections and the roadmap for the development of the next Pacific Community strategic plan post-2020 (next strategic plan), and to brief the incoming SPC Executive;
- xi. direct the Secretariat to provide updates on the implementation of the management response through the strategic plan roadmap;
- xii. approve the phased approach to developing the next strategic plan, and adopt the key principles in the development of the next strategic plan, as recommended by the Subcommittee.

## Report from the CRGA Subcommittee on Strategic Plan Implementation

### Draft Pacific Community Results Report 2018

3. The Secretariat presented the draft Pacific Community Results Report 2018 (draft Results Report), highlighting the improvements made based on the short- and medium-term recommendations provided by the CRGA Subcommittee (the Subcommittee) in 2018, following its review of the 2017 Results Report. Key improvements to the Results Report 2018 include mapping results in each chapter to the Sustainable Development Goals (SDGs), and connecting performance stories with the SDGs and targets. The Secretariat drew the Subcommittee's attention to the year-on-year improvements in the quality of evidence that underpins the Results Report.
4. The Secretariat presented to the Subcommittee examples of results in the draft Results Report, through interactive sessions facilitated by divisions and programmes, providing important context to members around how results are achieved. These presentations were:
  - i. the journey of the Pacific Community Centre for Pacific Crops and Trees (CePaCT) towards a centre of excellence;
  - ii. establishing an accountability mechanism: Pacific Monitoring Alliance for NCD Action (MANA);
  - iii. the Restoration to Ecosystem Services and Adaptation to Climate Change (RESCCUE) project: which builds resilience to climate change through community-based ecosystem restoration;
  - iv. a day in the life of a Fisheries Officer.
5. The Secretariat presented to the Subcommittee an overview of the links to the SDGs in the Results Report 2018, including leadership and coordination, measurement and implementation activities. Specific SDG linkages in the Results Report were showcased through experiences of how SPC's gender statistics and aquaculture work contributes to the achievement of the SDGs at the country and regional level. The Secretariat also presented an overview of SPC's support to countries in working towards their Voluntary National Reporting.
6. The Secretariat requested the Subcommittee to provide:
  - i. feedback on the effectiveness of the improvements to the draft Results Report in responding to the Subcommittee's recommendations;
  - ii. an opinion to CRGA to inform its consideration of the report.
7. The Subcommittee:
  - i. reviewed the draft Results Report, focusing on the following areas that were discussed in detail:
    - a. the Secretariat's response to the Subcommittee's recommendations from its review of the 2017 Results Report;
    - b. progress achieved in relation to the 10 priority areas identified in 2017 as part of the Secretariat's work prioritisation process;
    - c. performance assessment improvements made by the Secretariat in the draft Results Report;
    - d. analysis of the results reported in the draft Results Report;
  - ii. provided feedback on the report for SPC's Senior Leadership Team.

8. The Subcommittee considered that the draft Results Report was an excellent report, and warmly welcomed the significant improvements made in response to recommendations contained in the Subcommittee's submission to CRGA 48. Members noted the enhancements in assessing and mapping results, and in the continued enhancements in the presentation of the report. The commitment to the inclusion of qualitative and quantitative evidence in the report was acknowledged. Members appreciated the improvements in readability and accessibility of the draft Results Report, including the use of graphic elements. The weighting of outcomes and impact, as part of the improved performance assessment methodology, and the inclusion of qualitative and quantitative information on partnerships, were welcomed. The inclusion of gender equality and social inclusion was noted. Members commended the utility of pull-out sections on SDGs and partnerships, and the Highlights publication as a useful and informative abbreviated summary.
9. The Subcommittee particularly commended the Secretariat for mapping the SDGs to the results throughout the draft Results Report, acknowledging the Secretariat's responsiveness to the recommendations of the Subcommittee.

#### Recommendations

10. In acknowledging the high standard and utility of the draft Results Report that the Secretariat has achieved through iterative improvements to its performance management and reporting, the Subcommittee makes the following recommendations to assist CRGA in its future consideration of the progress made in implementing the Pacific Community Strategic Plan 2016–2020:
  - i. the draft Results Report continue to evolve its reporting focus towards impacts, and to strengthen the nexus between the reported results, divisional business plans, and the Strategic Plan;
  - ii. the Secretariat review the consistency of the reporting terminology, specifically regarding inputs, outputs and outcomes;
  - iii. the Secretariat continue to discuss with members the most appropriate content and format for Country Results Summaries;
  - iv. the Secretariat, over time, continue to strengthen business systems that will enable coherent planning and budgeting, and reporting on objectives, outcomes and expenditure;
  - v. the Secretariat, through its revision of the Planning, Evaluation, Accountability, Reflection and Learning (PEARL) Policy, include other methodologies to review and assess its performance – noting that the draft Results Report presented performance self-assessments alongside performance assessments by national and regional stakeholders, as part of the Strategic Plan Mid-Term Review;
  - vi. the Secretariat continue to produce a Results Report annually, regardless of the date of CRGA and Conference.
11. The Subcommittee recommends that CRGA endorse the Pacific Community Results Report 2018.

#### **SPC's long-term financial sustainability**

12. At the CRGA Subcommittee meeting in November 2018, members directed the Secretariat to provide recommendations for improving SPC's long-term financial sustainability, for discussion and comment

prior to CRGA 49. The Secretariat presented perspectives on SPC's long-term financial sustainability to the Subcommittee.

13. The Secretariat indicated to Subcommittee members that financial sustainability must be examined in the broad context of the organisation, and that it is not limited only to questions of core funding. The Secretariat also considered that, following an initial round of consultations carried out on the issues of assessed contributions (AC) and host country grants (HCG), more work needs to be done with members and SPC host countries on both the AC and HCGs to ensure the broadest possible consultation before any final recommendations are made.
14. The Secretariat highlighted the need to have ongoing discussions with development partners and other funders to explain SPC's funding modalities, which can vary from the practices of those donors. The Secretariat has made good progress in achieving high project execution rates, which enables SPC to benefit from the recoveries that are built into the budgets of SPC's programmes. Execution rates in 2018 reached 99%, which demonstrates the feasibility of the 2019 budgeted execution rate of 100% – this is a significant improvement on the historical execution rate of around 75%. The Secretariat is supporting project execution improvements with the implementation of a new financial project management system that assists managing funding flows, and is developing a new project management methodology across the organisation, which requires a longer-term development horizon, given its complexity and importance. The Secretariat has actively resource-mobilised, including with traditional development partners that are also members, and more broadly. SPC continues its efforts to manage exchange rate risks, including through hedging strategies and negotiations with donors. If SPC is able to receive a greater proportion of donor funds in euros this will reduce SPC's exposure to exchange rate risks.
15. The Secretariat outlined the importance for SPC of appropriate indirect and direct cost recovery. The primary mechanism for recovering the indirect costs of delivering projects and programmes is the project management fee (PMF), currently set at a target rate of 15%. The challenge remains in negotiating with those partners that are currently funding less than 15%; for example, the European Union PMF is only 7%. The Secretariat is working with the EU and other donors to increase the PMF rate where possible and recover the balance of legitimate costs through direct cost mechanisms. It remains important to the organisation's financial stability to recover direct costs through all projects. Once recoveries and other financial flows are predictable, the organisation is then able to manage funds with both greater flexibility and increased certainty.
16. The Subcommittee acknowledged the helpful paper, and the important work that the Secretariat has continued to undertake in ensuring the sound financial management and financial sustainability of the organisation. The Subcommittee highlighted the ongoing importance of good programme management practices and high execution rates, and supported efforts to shift from project to programme funding. The Secretariat acknowledged the ongoing importance of sound financial management, notwithstanding the improved financial position the organisation had reached.

### Recommendations

17. The Subcommittee recommends that CRGA:
  - i. direct the Secretariat and encourage all development partners to work to increasing the level of project management fees (PMF) towards the target rate of 15%;
  - ii. direct the Secretariat to actively pursue strategic partnerships and fundraising to increase SPC's annual project portfolio;

- iii. recommend that members pay, where possible, assessed contributions, host country grants and voluntary contributions in euro;
- iv. encourage all development partners to consider shifting from a project to a programme funding modality to provide greater predictability and a multi-year commitment under the Pacific Community Strategic Plan;
- v. direct the Secretariat to continue its engagement and consultations with members around the review of assessed contributions and host country grants.

### **SPC's country programming and integrated programming**

18. The Secretariat updated the Subcommittee on progress made in the Secretariat's cross-organisational programming efforts since the update provided to the CRGA Subcommittee in November 2018. This included progress made through country programming and on the development and use of integrated programming. The Secretariat indicated that investments in these efforts assist the implementation of key priorities in the Strategic Plan and support SPC's work with members. The Secretariat updated the Subcommittee on the status of specific Country Programmes with member states where these have been developed. Vanuatu presented its experience in developing a Country Programme with SPC, demonstrating the linkages to its National Sustainable Development Plan and the National Priorities in Vanuatu 2030.
19. Members of the Subcommittee expressed interest in the development of specific Country Programmes, and members encouraged the ongoing commitment of the Secretariat to integrated programming. The Secretariat explained that it is also using the results of prioritisation to embed the way SPC works collectively "as one", to develop new programmes for the benefit of members. The Pacific Community Centre for Ocean Science (PCCOS) and the Pacific Data Hub (PDH) were raised as topical examples of this approach. The Subcommittee noted the progress in implementing country programming in member states, including Marshall Islands, Papua New Guinea, Solomon Islands and Vanuatu. The Subcommittee found the presentation of the Vanuatu case study helpful in demonstrating the country programming development process and the connection to integrated programming and prioritisation.

### **Recommendations**

20. The Subcommittee recommends that CRGA direct the Secretariat to continue its programming efforts, including appropriate resourcing, across both integrated and country programming, acting on the recommendations of the Mid-Term Review of the Pacific Community Strategic Plan 2016–2020 and feedback from member states.

### **Mid-Term Review of the Pacific Community Strategic Plan 2016–2020**

21. The Secretariat presented an update to the Subcommittee on the Mid-Term Review of the Pacific Community Strategic Plan 2016–2020, including an overview of the findings of the performance analysis component of the review. The Secretariat provided an overview of its proposed management response to the findings of the performance analysis and partnership survey.
22. The Secretariat indicated to the Subcommittee that the Mid-Term Review of the Strategic Plan was commissioned in 2018, with the guidance of the Subcommittee. The review had two components:

- i. A partnership survey, with 159 national and 117 regional respondents, which was successful in generating evidence of member and partner perceptions of SPC's relevance, performance and efficiency, and which identified five considerations for SPC's future direction.
  - ii. A performance analysis, which examined the extent to which SPC's nine development and five organisational objectives had been achieved. Conducted by an external consultant, it was based on document analysis (including 2016 and 2017 results reporting at division and SPC-level, evaluations, donor and management reporting and divisional performance improvement reviews); interviews with SPC's Executive and divisional directors; and internal workshops.
23. The Subcommittee provided the following feedback to the Secretariat on the management response to the Mid-Term Review:
- i. requested the Secretariat give serious consideration to how organisational structure can support programming;
  - ii. requested the Secretariat to seriously consider giving division heads responsibility for specific development and organisational objectives, noting the move towards an integrated approach to programming;
  - iii. requested clarification around the practical capacity of the Secretariat to undertake the 24 proposed management actions, noting that these actions are prioritised as short-term, medium-term and long-term actions in the management response;
  - iv. noted the importance of the alignment of development objectives with the SDGs in the next strategic plan, and the importance of setting targets.

#### Recommendations

24. The Subcommittee recommends that CRGA:
- i. note the Secretariat's update on the Mid-Term Review of the Pacific Community Strategic Plan 2016–2020, including the findings of the performance analysis;
  - ii. direct the Secretariat to use the review findings and management response to inform course corrections and the roadmap for the development of the next strategic plan, and to brief the incoming SPC Executive;
  - iii. direct the Secretariat to provide updates on the implementation of the management response through the strategic plan roadmap.

#### **Draft roadmap for developing the post-2020 Pacific Community Strategic Plan**

25. The Secretariat presented to the Subcommittee a draft roadmap for developing the next Pacific Community strategic plan post-2020, outlining a five-phase approach, with each stage informing subsequent phases that are defined by critical milestones.
26. The Pacific Community Strategic Plan 2016–2020 is in the final two years of implementation, and it is time to consider the process for developing the next strategic plan. This Secretariat presented a pathway to formulating the next strategic plan, guided by the values of SPC, the tenets of development effectiveness (ownership, transparency, accountability, results-focus, partnerships) and the principles outlined in the Secretariat's Planning, Evaluation, Accountability, Reflection and Learning (PEARL) policy.
27. The Subcommittee reviewed and provided advice on the roadmap, focusing on the following areas:



- i. the practicality of the phased approach to developing the next Pacific Community strategic plan, and the most effective ways of engaging with external stakeholders;
  - ii. mechanisms for member engagement in the process for developing the next strategic plan, based on the Subcommittee's learning from its oversight of the implementation of the current Strategic Plan 2016–2020;
  - iii. the configuration of the Subcommittee for the Development of the next strategic plan, or other effective stewardship bodies or modalities.
28. The Subcommittee discussed the processes undertaken in developing the current Strategic Plan, with a view to building on what worked well in developing the next strategic plan. An internal Secretariat Working Group coordinated the development of the Strategic Plan, with the oversight of the CRGA Corporate Strategic Plan Subcommittee. This process was characterised by extensive consultation, starting with the CRGA Corporate Strategic Plan Subcommittee, and emanating out to all members and to other stakeholders. The Subcommittee had robust discussions on the experiences of members that had been involved in the drafting of the current Strategic Plan, and considered three potential options for stewardship of the next strategic plan.
29. Although no final agreement was reached on which of the three stewardship options would be recommended to CRGA, discussions highlighted agreed principles and modalities:
  - i. The principles:
    - a. CRGA stewardship of the member-driven process that builds ownership by both members and the Secretariat
    - b. Engagement through high-level thought leadership that provides a strong future vision through a regional lens
    - c. Inclusive consultations that capture the rich intelligence at national level and across the spectrum of the Pacific Community's stakeholders.
  - ii. The modalities:
    - a. The best use of the Secretariat's resources and membership time, and a preference to avoid having two simultaneous Subcommittees (one continuing its oversight of the implementation of the current Strategic Plan, and another to draft the next strategic plan)
    - b. A number of engagement and consultation opportunities for CRGA to bring thought leadership to the process and product
    - c. Leveraging existing convened meetings between the Secretariat and members to capture this thought leadership, including the Subcommittee meetings in November 2019 and May 2020.
30. The Secretariat recommended that further discussion be held to reach agreement on the range of modalities that support a collaborative member engagement model. The Secretariat emphasised that there needs to be strong member ownership in producing the next strategic plan and in the ultimate co-design and drafting of the strategic plan. The Roadmap engagement process diagram at Annex A proposes engagement opportunities that leverage existing meeting mechanisms for the Subcommittee but are open to CRGA-nominated participants.
31. The Subcommittee could foresee a role in the initial stages of development of the next strategic plan, as the Subcommittee maintains responsibility for oversight of the implementation of the current strategic plan.



Recommendations

32. The Subcommittee recommends that CRGA:
- i. approve the phased approach to developing the next Pacific Community strategic plan post-2020;
  - ii. adopt key principles for developing the next Pacific Community strategic plan that include:
    - a. CRGA stewardship of the member-driven process that builds ownership, both by members and the Secretariat;
    - b. engagement through high-level thought leadership that provides a strong future vision through a regional lens;
    - c. inclusive consultations that capture the rich intelligence at national level and across the spectrum of the Pacific Community's stakeholders.

## Annex A

### Roadmap for developing the next Pacific Community strategic plan: Proposed engagement process

