



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

AGENDA ITEM NO. 2: Director-General's report

(Paper presented by the Secretariat)

Summary

1. This is my final report to the CRGA as the Director-General of the Pacific Community (SPC). I am confident that, in my time as Director-General, I have repositioned SPC as the premier scientific and technical organisation for the Pacific region, and strengthened its financial position. SPC is a strong brand, with well-qualified staff, well-established networks and partnerships, and supported by members and development partners. Some areas of its operations still need to be strengthened, but overall, SPC is in a strong position with a good reputation. The financial outlook for SPC continues to improve.
2. When I assumed the role of D-G in early 2014, the organisation had grown rapidly, with the then recent merger of the South Pacific Applied Geoscience Commission (SOPAC) and the Secretariat of the Pacific Board for Educational Assessment (SPBEA) into SPC, but the change process was challenging and incomplete. More importantly, the financial outlook for SPC was weak, and regarded by the Audit and Risk Committee (ARC) as the single biggest risk for the organisation. Despite strong income streams between 2006 and 2012, SPC had not allowed for unexpected challenges and it had insufficient reserves. For example, in 2015 the European Union unexpectedly advised SPC of significant financial liabilities as a result of 'ineligible' expenses from projects that had closed several years earlier. It has taken the Secretariat more than three years to reduce this liability and it is now at a manageable level.
3. The financial outlook for SPC was such that we had to manage several years of recurrent budget deficits. Several measures were necessary, including the introduction of an internal efficiency drive and a dedicated resource mobilisation strategy. At the end of 2016, a small number of staff redundancies were necessary. Despite the recurrent budgetary constraints, SPC continued to provide the full range and levels of services expected by members. The 2018 financial year ended with a budget surplus of more than four million euros, and we expect further budget surpluses in 2019 and 2020.
4. In 2014, we introduced the SPC Change and Transformation process, designed to lead to a truly 'One SPC', and we introduced better integrated programming and cross-divisional planning. While SPC has had a long history of service delivery, it had been highly sector-differentiated, with SPC's divisions and programmes delivering services to members largely independently of each other. The strategic objectives of the Pacific Community Strategic Plan 2016–2020 included a multi-disciplinary approach to development challenges. We also introduced the prioritisation process as an integral part of the organisation's transformation. The prioritisation process sought to identify high priority

areas consistent with both the needs of the region and SPC's capabilities. The process also identified 'low priority' areas in which SPC would no longer invest resources. Principles established in the prioritisation process have become integral to SPC's business processes.

5. A Mid-Term Review (MTR) of the Strategic Plan 2016–2020 was completed in 2018. The MTR, conducted by external consultants, confirmed findings from other studies showing the value of SPC in providing support for the development needs of Pacific states. The MTR was positive about SPC's overall performance, effectiveness and efficiency, provision of technical advice, knowledge and information, capacity building and support for the application of knowledge and information. Areas identified for further development included the need for closer alignment with members' priorities, greater presence in countries, and better coordination, collaboration and communication within SPC.
6. SPC has a Memorandum of Understanding (MOU) with the University of Queensland (UQ), centred on joint research programmes and capacity building within the Pacific Community and its members. The UQ Centre for Policy Futures and the School of Economics completed the SPC Futures Project as part of the joint SPC/UQ research programme. Study findings confirmed the value that SPC brings to the region and the high regard that stakeholders have for SPC's scientific and technical staff. Staff expertise sets SPC apart from other agencies.
7. Reviews under the Performance Improvement Framework (PIF) have been completed with most of SPC's divisions. These reviews were led by external reviewers and designed to test 'fitness for purpose' of the divisions. Review findings helped inform the strategic directions and priorities for each division, to be reflected in respective business plans. PIF reviews have clearly established the strategic direction and priorities for the divisions which would guide the work programmes for the teams over the next few years. SPC would benefit from regular reviews and reflections such as these, to ensure that it continues to meet the priorities of its members.
8. A staff engagement survey was completed in late 2018, with a response rate of 78 per cent, which compared favourably with response rates of surveys in similar organisations. Overall staff engagement was very good, at 75 per cent. Staff were proud to work for SPC, with well over 90 per cent committed to the mission of the organisation. Alignment and involvement, a positive work life balance, and management of SPC, received positive ratings by staff. Collaboration and communication, and recognition and feedback, were areas identified by staff as needing improvement. Divisions, with the assistance of our Human Resources team, are working to address the issues identified in the engagement survey.
9. SPC was successful in obtaining permanent observer status at the United Nations General Assembly in 2015. SPC was recently granted accreditation with the Green Climate Fund (GCF), which will enable SPC to assist members with their climate financing initiatives. These international developments enhance SPC's reputation in the global arena in alignment with relevant development challenges.
10. SPC has undergone significant change during my term as Director-General, as I have endeavoured to change the organisation's culture, improve its impact and performance, and establish a sustainable financing regime for the organisation. These changes have been implemented successfully without major structural change, with the exception of the merger between the GeoScience and Economic Development Divisions, to form the Geoscience, Energy and Maritime (GEM) Division. It is also worth noting that the configuration of SPC has not changed, despite significant changes in the operating environments in each state in which SPC staff are based. There is merit in streamlining the distribution of SPC offices to selected strategic locations in the region.

11. SPC has continued to operate successfully in a challenging financial environment. It is also clear that competition for declining funds for development will continue. While agencies of the Council of Regional Organisations in the Pacific (CROP) have worked hard to better coordinate activities, it is clear that the regional architecture hinders the effective and efficient operation of CROP agencies. A strategic review of the regional architecture will result in cost savings and efficiencies for the region.
12. The Governance Review of SPC, in 2014, recommended that CRGA and Conference be held in June of each year instead of November. This was primarily driven by considerations around a more timely reporting period on the previous year's activities. However, experience has shown that convening the meetings of CRGA and Conference in June presents major challenges in the substantive discussion and approval of SPC's budget for the upcoming year. In order to allow members and the Secretariat to more fully examine budget and finance matters, which underpin SPC's overall strategy and delivery of its work programme, the Secretariat considers that it is necessary to restore the CRGA and Conference meeting dates to November of each year.

Recommendations

13. CRGA is invited to:
 - i. note the highlights of SPC's operations and activities during 2018, and the key achievements of the current Director-General of the Pacific Community over the course of his tenure;
 - ii. approve the change of CRGA and Conference dates to November each year.

Director-General's report

Purpose

14. This paper presents: (a) an overview of SPC's key activities over the past year and selected achievements during my tenure; and (b) an update on the Secretariat's progress in implementing the decisions of CRGA 48 (Annex A). This is my final report as Director-General.

Background

15. SPC continues to deliver high-quality services to its members, despite chronic resource constraints. Detailed results of our work in 2018 can be found in the Pacific Community Results Report 2018, which shows that we are making good progress in implementing our Strategic Plan 2016–2020 (Paper 5.1). The CRGA Subcommittee on Strategic Plan Implementation noted, with satisfaction, the progress being made. SPC is now preparing for the development of a new Strategic Plan 2020–2025.
16. The Mid-Term Review (MTR) of the Pacific Community Strategic Plan 2016–2020 showed that the work of SPC is valued by members, and that good progress is being made across all areas of work. The MTR was a comprehensive assessment of the Strategic Plan, conducted by independent external consultants, including interviews with members, development partners and other stakeholders. SPC was particularly valued for its work in the provision of technical support and information, capacity building, and support to members in the application of knowledge and information. Areas identified for improvement included a better focus on fewer priorities, collaboration, communication and coordination with partners and other stakeholders, and dissemination and communication of results. Survey respondents also identified that improvements were needed in SPC's work on gender and human rights.
17. The relationship between SPC and its members is very good, although the MTR identified the need for enhanced alignment between SPC's and country priorities, including increased presence in countries. The relationship between SPC and its members is an important strategic objective in our Strategic Plan. This has been an important driver in the work of SPC staff across the region. However, financial constraints and the tight budgetary position of SPC has hindered our ability to increase our presence in member states. Increased presence in selected locations across the region remains a high priority for SPC.
18. SPC has a Memorandum of Understanding (MOU) with the University of Queensland (UQ) centred on joint research programmes and capacity building within the Pacific Community and its members. The UQ Centre for Policy Futures and the School of Economics completed the SPC Futures Project as part of the joint SPC/UQ research programme. The key messages in the study were raised and reinforced by multiple interviewees, with relatively strong consensus on the strengths and weaknesses of SPC's culture, work programme, reputation and organisational structure. The study also contained various, largely complementary, insights relating to the opportunities for and threats to SPC in the coming decade. SPC's technical staff are very competent, and highly regarded across the region – they are SPC's core strength, and are what sets the organisation apart from other agencies. There is a need to ensure SPC continues to recruit and retain high-calibre technical and scientific staff. An external respondent stated that, "without SPC the Pacific Region would be in a much darker space". Areas for development and improvement were also identified in the study.

19. SPC engages with a wide range of partners and networks that share our objectives and values. Strategic partnerships with the governments of Australia and New Zealand continue to provide the foundations for the good relationships between SPC and these two governments. The relationship between SPC and the Government of New Zealand has been particularly productive, with significant additional resources being made available for work in priority areas as part of the government's 'Reset' policy. A similar strategic partnership was recently signed with the Government of New Caledonia. A strategic partnership with the Government of France is also being developed. We are pleased with the emerging relationship with the Government of Norway. We have placed an SPC staff member in Paris to provide an important link between the EU and European nations and SPC.
20. CROP agencies continue to meet on a regular basis. The Heads of CROP agencies are now supported by a regular meeting of Deputies, at which detailed discussions take place on issues of mutual concern, in preparation for submission of issue reports to Heads of CROP agencies. The Framework for Pacific Regionalism (FPR) features prominently in discussions, as well as relevant related issues, such as Agenda 2030 and the implementation of the Sustainable Development Goals (SDGs). SPC is involved in the implementation of all SDGs, including, especially, support of members in the areas of data and reporting of SDGs.
21. The Pacific Fisheries Leadership Programme (PFLP) is a new SPC initiative, building directly on SPC's Pacific experience, networks and learning. A five-year New Zealand MFAT-funded programme, the PFLP works with 125 current and emerging leaders in the Pacific fisheries sector. The PFLP recognises how exercising leadership plays a critical role in enabling change and development, and how good leadership can create opportunities, leverage technical capabilities and enhance the impact of other technical programmes. The programme is managed by an SPC-led consortium, including the Pacific Islands Forum Fisheries Agency (FFA), the University of Queensland (UQ), and the Centre for Adaptive Leadership. The PFLP is a modular programme, tailored to the sector as well as to individual learners. It includes workshops, UQ award courses, experiential micro projects, work placements and coaching. The inaugural workshop for 22 participants was held in Nadi, Fiji, in January 2019, and opened by the Fiji Minister of Fisheries. Two further workshops are planned in 2019. As this is new work, MFAT and SPC are trialling an adaptive management approach to the PFLP itself, with an emphasis on iterative learning and continuous improvement.

SPC change and transformation

22. We have made excellent progress in implementing the SPC change and transformation agenda. Key components of the agenda include:
 - setting priorities through the prioritisation process, and identifying fewer, high-value areas of work, consistent with SPC's mandate and comparative advantage, and identifying lower-priority areas for disinvestment over time;
 - modernising our finance systems, implementing a new business model and improving financial management and budgetary practices in SPC, including applying full cost recovery (FCR) for selected services;
 - improving reporting of our results and developing a consolidated Results Report to streamline reporting;
 - progressing integrated and country programming across SPC and enhancing cross-divisional planning, project design and implementation;
 - commissioning independent external evaluation of all divisions, and developing new business plans to better align divisional plans with the priorities of the Strategic Plan;
 - investing in staff development;
 - enhancing SPC's visibility.

23. A 'One SPC' culture is emerging at SPC, with a greater focus on priority setting, improved cross-divisional planning and programming, better financial discipline, and more efficient project execution across all divisions. Project execution rates have improved considerably since my last report, and this has had an important positive impact on our financial situation. The MTR has confirmed good progress is being made towards achieving the 'One SPC' vision and culture. I am confident that we have made good progress towards evolving the SPC culture, from a work programme dominated by vertical silos, towards an integrated, cross-divisional programming approach. A critical component in our programming work is the development of new Country Programmes. We have completed new Country Programmes for Papua New Guinea (PNG), Republic of the Marshall Islands (RMI), Solomon Islands and Vanuatu. We are in the process of developing new Country Programmes for Kiribati, Nauru and Tuvalu, and those for other members will follow.

Financial position and outlook

24. SPC's financial outlook is improving, as a result of efforts over the last several years to strengthen our systems and procedures, and improve overall financial management. Fluctuations in project management fees, volatility in our trading currencies, failure by members to pay assessed contributions on time, and unsatisfactory responses to host country grants, have undermined our efforts to secure a stable financial platform for SPC. In addition, four members are in arrears, owing a total of EUR 2.15 million as at 9 May 2019.
25. During 2018, we continued our efforts to strengthen the financial position of SPC, and it was pleasing to report the end-of-year surplus of over EUR 4 million. This result was achieved without compromising the scope and levels of service delivery to our members. The result was significant, given the challenges of providing a balanced budget at the beginning of the financial year. We are projecting a surplus for 2020 and beyond. The trends signal a strong and positive outlook for SPC, after several years of budget constraints. Despite these encouraging trends, SPC must maintain its financial discipline and high project execution rates.
26. The Secretariat has continued to make a considerable effort – supported by the EU Delegation in Fiji – to reduce the amount of ineligible project expenses from EUR 6.4 million. It is pleasing to note that what was a significant financial risk for SPC has been brought under control, and provision has been made in our budget process to meet any residual ineligible expenses. The latest estimate indicates that EUR 2.483 million in ineligible expenses remains, with EUR 1.866 million in expenses due to SPC but yet to be reimbursed by the EU. Accordingly, the residual amount for settlement is EUR 0.617 million, of which EUR 417,570 is owed by FFA to SPC for the SCIFISH project. The maximum ineligible expenses liability for SPC is approximately EUR 200,000. At a meeting between EU Commissioner Mimica and Pacific Leaders in Apia earlier this year, a submission was made by the Pacific Island Forum Leaders, on behalf of all CROP agencies, that all residual ineligible EU expenses be waived. The outcome of this request is pending.
27. In addition, the EU gave the Secretariat a positive assessment in relation to its Seven Pillar Assessment framework (internal control systems, accounting systems, independent external audit, grants and procurement, and sub-delegation and financial instruments). This positive result places SPC in a good position to further implement EU projects and to mobilise resources from other entities that hold EU Pillar Assessments as a standard that an entity must meet to be deemed a credible partner. A proposal is before CRGA for the EU to become a Permanent Observer at SPC, given its substantial contribution to development activities in the region.

Human Resources (HR)

28. The HR function at SPC remains under strain, with high demand for recruitment of staff required for new programmes – 6600 employment applications were processed between January and December 2018. We have continued to provide professional development opportunities for staff within the limited budget provisions in divisions. We were able to offer both the SPC Leadership Development Programme and the Management Programme provided by the Singapore Civil Service College during 2018. A small programme for the SPC Leadership Development alumni is underway in 2019. As agreed at CRGA 46, a report from the Staff Representative Committee (SRC) is attached as Annex B.
29. A staff engagement survey was completed in late 2018, and the findings were shared with all divisions, for the formulation of responses and improvements. It is pleasing that three-quarters of all staff reported positive engagement with the organisation, and well over 90 per cent were committed to the mission of the organisation. Collaboration and communication, and feedback and recognition, were areas identified by staff as needing improvement. Staff sentiment varies across divisions, and HR is supporting divisions to respond to these findings in designing appropriate responses. The Director-General's Awards were held again in late 2018, as part of SPC's reward and recognition activities. HR successfully rolled out the online PDS system during the year.

Divisional highlights

30. SPC's programmes are managed by two Deputy Directors-General (DDGs), based in Noumea and Suva, respectively. Programmes based predominantly in Noumea are managed by the DDG Noumea, in addition to his responsibilities for all organisational support services. All programmes based in Suva are managed by the DDG Suva. Some programmes, such as the Public Health Division, are located in both locations. Coordination and collaboration between divisions happens at a number of levels, especially through integrated programming. The Directors' Forum considers cross-divisional issues. The current configuration of SPC programmes is working, although a number of areas require improvement.

Strategy, Performance and Learning Team (SPL)

31. The Strategy, Performance and Learning (SPL) team provides planning, performance, and monitoring, evaluation and learning (MEL) services for the entire organisation. The SPL team adopted an ambitious work plan in 2018, which has provided unique insights and evidence on the implementation of the Strategic Plan, stakeholder perceptions and experiences of SPC, and intelligence to position the organisation well for future planning and strategy.

Mid-year reporting

32. Based on recommendations for improvement made by the CRGA Subcommittee on Strategic Plan Implementation, in 2018 SPL enhanced the mid-year reporting process. For the first time, SPC reported on its project portfolio indicating the proportion of projects that included the cross-cutting issues of climate change, gender, human rights and partnerships. 2018 was the first year in which score cards were produced for each development and organisational objective. This kind of performance intelligence has been utilised by the Secretariat in internal improvement discussions, with members, and with potential new donor partners, to identify synergies and ways to increase the effectiveness of SPC's work.

Mid-Term Review (MTR) of the Pacific Community Strategic Plan 2016–2020 (the Strategic Plan)

33. The mid-term review of the Pacific Community Strategic Plan 2016–2020 was conducted, in 2018, by independent external consultants. The process was led by SPL, with support from SPC's network of MEL focal points (MELnet) and guidance from the CRGA Subcommittee on Strategic Plan Implementation. The MTR included two activities: a Partnership Survey and a Performance Analysis.
34. As a preamble to the MTR, SPC's theory of change – a cornerstone of the Strategic Plan – was revised to better illustrate how SPC programmes produce outcomes and impacts for and with PICTs. The revised theory of change was used to test specific change pathways in the Partnership Survey and Performance Analysis.
35. Through the Partnership Survey, the Secretariat engaged with 159 PICT national and 117 regional respondents. The survey provided feedback on the relevance, effectiveness and performance of SPC in addressing the Objectives laid out in the Strategic Plan. The Performance Analysis included document analysis to assess SPC's progress against the development and organisational objectives.
36. SPL has shared the results with the CRGA Subcommittee, Secretariat staff and other key stakeholders. SPC's management response includes course corrections for the remaining period of this Strategic Plan, and building the roadmap for the development of the next strategic plan.

Strengthening SPC's MEL capabilities

37. SPL is supporting MELnet through a range of development, training, reporting and process priorities identified in a strengths and needs assessment.
38. MEL capacity is growing stronger within the Secretariat, as seen in the increased ownership of our results and learning within our MEL network, and improved quality of our results reporting. This indicates a commitment to being more accountable to our members on progress and performance against our Strategic Plan.

Key priorities in 2019

39. The key priorities for the SPL team are summarised below.
 - SPL is updating SPC's Planning, Evaluation, Accountability, Reflection and Learning (PEARL) policy, adopted in 2016. The review and update will ensure the policy remains fit-for-purpose in a rapidly evolving organisation, so that we are able to effectively plan, demonstrate our impact and foster a learning culture within the organisation.
 - In response to the 2019 internal MELnet strengths assessment, SPL plans to review MELnet governance arrangements, to make the network a more vibrant, co-owned community of practice. MEL capacity will be strengthened.
 - The D-G's office, through SPL, will conduct an SPC-wide evaluation of capacity development efforts at SPC, with the goals of mapping the different capacity development modalities used at SPC, reviewing capacity building MEL methodologies, assessing the relative effectiveness of selected interventions, and improving learning to inform the use of capacity development approaches.
 - A Principal Strategy Adviser has been recruited within SPL to guide the development of the next Strategic Plan. The Adviser has drafted a roadmap – Roadmap to the Pacific Community Strategic Plan 2021–2025 – that seeks to strengthen the role of members in the formulation

of the plan. The roadmap process will be highly consultative, and cognisant of the Blue Pacific narrative and the 2030 Agenda.

- Strengthening Pacific Monitoring, Evaluation, Research and Learning (MERL) capacity: SPC worked with a number of member governments and civil society to strengthen MERL practice in 2018. In partnership with NZ MFAT and Better Evaluation, SPL is organising an event to bring together MERL practitioners from across the region to develop a shared agenda for capacity development in the region, with the goal of strengthening evidence for decision-making. This initiative emerged from discussion about the Learning and Innovation Hub, as previously considered by CRGA.

Operations and Management Directorate (OMD)

40. The Operations and Management Directorate (OMD) provides financial, human resources management and general administrative support services for the entire organisation. In recent years, the OMD teams have made significant improvements in all support service areas, including measures designed to improve our financial sustainability, support partnerships and resource mobilisation, develop human resource policies, and improve information and knowledge management. OMD highlights from 2018 include:

- improvements in project execution rates, from 73.4% (2016) to 99%; and in project management fees (PMF) recovery;
- implementing cost recovery for its ICT, Publishing, Translation, Interpretation and Event Management services. This contributes to a more sustainably funded SPC. It also introduces elasticity where overhead services budgets fluctuate with SPC's overall budget;
- consolidating the SPC libraries in Suva, saving space and rent, and developing two new archive rooms, to ensure SPC's records are well maintained;
- significantly improving financial reporting times;
- presenting the Financial Sustainability paper with a genuinely more positive outlook, as a result of OMD's efforts;
- contributing to GCF accreditation, as a result of improved policies and processes developed to meet GCF requirements;
- implementing a staff Intranet portal;
- initiating the Pacific Data Hub – an initiative of the Information Services Section, to improve access to data and information. This is now funded by MFAT for the next three years. The programme has the potential to grow, with other donors showing interest;
- improving coordination and communication around emergencies and significant events (such as cyclones, and the New Caledonia referendum);
- developing and publishing the Pacific Community Governance Compendium – a consolidation of all governance documents of SPC;
- convening a high performing teams workshop for the OMD leadership group.

Climate Change and Environmental Sustainability (CCES) Programme

41. The Climate Change and Environmental Sustainability Programme at SPC facilitates the broad partnership work with external agencies and countries on related issues. CCES is also the lead for global activities, and works closely with other CROP agencies supporting member states in these negotiations. CCES manages several projects on climate change and environmental management, mainly with the French Overseas Territories and Pitcairn. A key task in the last few years has been the accreditation with the Green Climate Fund (GCF).

Integrated and cross-sectoral resilience

42. RESCCUE: This is the final year of operation of the RESCCUE project, which closes in June 2019. Outputs have been produced, documenting the implementation of resilience activities in pilot sites in Fiji, French Polynesia, New Caledonia and Vanuatu. The conclusions of the project will feed into the AFD/France Biodiversity and Climate Change Initiative.
43. EDF11-OCT/PROTEGE: Informed by experience from the INTEGRE project that closed in June 2018, CCES led the final design of the four-year project, commencing October 2018, between the EU, with SPC as lead, and SPREP as co-delegatee. The EUR 36 million project supports sustainable management of natural resources in the OCTs (French Polynesia, New Caledonia, Pitcairn, Wallis and Futuna), including EUR 5 million to be implemented by SPREP for invasive species management.
44. EU PACRES: under SPREP's lead, CCES worked on the final design and budgeting of the project, for EUR 2.5 million, to be implemented by SPC (GEM and CCES).

Facilitate countries' access to climate finance and readiness support

45. SPC delivered the GCF Readiness Support project with FSM, which enabled the establishment of the GCF NDA office in FSM. A second readiness two-year project was co-constructed with FSM and approved by GCF in March 2019, to further strengthen readiness of the country to the GCF.
46. Completing a two-year process of work, the GCF Board approved the accreditation of SPC for (regional) direct access, which means that SPC is able to submit small projects up to USD 50 million, as well as fiduciary standards of project management and grant award, and within the medium environmental and social risk category. The accreditation allows SPC to offer additional choices to Pacific countries to access climate finance for their climate mitigation and adaptation needs.
47. Climate and Environmentally Smart SPC: Further to the approval of the SER policy in April 2018, the Environmental and Social Management System (ESMS) was developed, along with pilot projects across the organisation, screening for environmental and social risks. SPC compensated all of its emissions in 2018, and joined other climate neutral organisations at a special event at COP24.

Contribution to the regional coordination of climate work in the Pacific

48. The following were central contributions made by the CCES Programme to the regional coordination of climate work.
 - Collaboration in the establishment of the Pacific NDC Hub, with GGGI, SPREP and SPC, under GIZ lead, launched at COP24. Financing agreements between GIZ and SPC/SPREP enable the provision of technical assistance to countries wishing to implement or enhance their NDCs.
 - Release of the peer-reviewed scientific publication in "Frontiers in Marine Science": *Ocean Solutions to Address Climate Change and Its Effects on Marine Ecosystems*.
 - Contribution to the One CROP team at CAPP, pre-COP, COP24 and CAPP.
 - Special emphasis on Ocean and Climate nexus, with support provided to the Ocean Pathway initiative, launched at COP23, Ocean Pathway side events at COP24, and the Ocean-Climate Symposium in May 2019. Co-organisation of the Ocean and NDC (nationally determined contributions) workshop in Suva, in collaboration with Because The Ocean.
 - Support to the organisation of the IRD partnership, including an IPBES scientific event in Noumea.
 - Contribution to the design of the AFD Biodiversity and Climate Change initiative.

Educational Quality and Assessment Programme (EQAP)

49. The Educational Quality and Assessment Programme (EQAP) is well established within SPC, and is contributing well to the improvement of educational quality in the Pacific region. Resource uncertainties in the past have been largely resolved. Highlights for the programme for 2018 include the following:
- Extremely successful first year of partnership with Australia DFAT and New Zealand MFAT, as well as technical partner, Australian Council for Educational Research (ACER), has led to increased levels of stakeholder confidence and strengthening of collaboration with education ministries and regional education stakeholders.
 - Implementation of a new country programming methodology that allows for longer term planning and alignment of EQAP support to countries with national and regional education priorities. This has led to improved results for 2018 and into the first quarter of 2019.
 - Development of a new EQAP business plan that focuses on education priorities identified by member countries, and aligns with regional and global education goals (PacREF and SDG4).
 - EQAP would not be in a position to work proactively with countries to engage as part of the national education plans, and be part of the national SPC country plans, without the flexible programmatic funding of the business plan through the partnership. The EQAP country programming work has fed directly into the SPC country plans in PNG, Solomon Islands and Vanuatu, and is currently feeding into the SPC country programs being developed for Kiribati, Nauru and Tuvalu.
 - PILNA was administered for the third time in 2018, to over 40,000 students in 15 countries, over 900 schools and in 10 languages. Results will be released in July, and are widely anticipated by the member countries.
 - The first three regional micro-qualifications were developed, endorsed and accredited, with widespread interest in micro-qualifications generated through the development and recognition processes. The involvement of industry advisory groups and stakeholder groups from across the region was key to the success of the efforts.

Fisheries, Aquaculture and Marine Ecosystems (FAME) Division

50. The Fisheries, Aquaculture and Marine Ecosystems (FAME) Division provides world-class scientific data on tuna and other species. Data and information from FAME are used by a variety of stakeholders for the sustainable management of the tuna resource. This is a critical function in our region. SPC has been mandated by PIF Leaders as the lead CROP agency on coastal fisheries. After several years of neglect, it is pleasing to note that there is now high-level political support and significant additional resources for the sustainable management of coastal fisheries in the Pacific.
51. The 11th Heads of Fisheries (HoF) Meeting considered the important issues of gender and social inclusion in fisheries, climate change impacts on fisheries, the status of sea cucumber fisheries and harmonised collection of fisheries data. The meeting endorsed FAME priorities and positioned SPC to have key inputs into the new Regional Fisheries Ministers Meeting agenda.
52. Members agreed that the HoF meeting should continue to focus on guiding FAME's strategic direction and work-plan priorities, and as an important new function, consider strategic regional fisheries policy and governance issues, with key outcomes to be transmitted to the newly established Regional Fisheries Ministers' Meeting (RFMM). Members recommended that, initially on a two-year trial basis, HoF move from being held biannually to an annually, supported by an annual Regional Technical Meeting on Coastal Fisheries and the Coastal Fisheries Working Group. This arrangement has significant cost implications for the Secretariat, both in terms of funding the

additional meetings and in augmenting FAME's capacity to support the process. FAME is in discussions with donor partners on the funding issue.

53. The following are further highlights for the FAME Division in 2018:

- Commencement of the EU-funded Pacific EU Marine Partnership (PEUMP) Project – a multi-CROP agency project, with SPC as lead, providing support for oceanic and coastal fisheries management.
- FAME's Pacific Islander Professional Programme has gathered momentum over the past year, and is now one of FAME's key capacity-building activities.
- The Oceanic Fisheries Programme has been working with members to transform decision making in tuna fisheries management through the implementation of the Harvest Strategy approach.
- Assistance was provided to 12 members for testing aquatic specimens against listed diseases, making them compliant with World Aquatic Animal Health Organization reporting, and confirming that they are free of known aquatic pests and diseases.

Geoscience, Energy and Maritime (GEM) Division

54. As part of the transformation of the organisation, the GeoScience and Economic Development Divisions have merged into a single new division: the Geoscience, Energy and Maritime Division. The GEM Division has been structured around three primary science pillars, and a service provision group, which includes remote sensing and GIS capability. The three science pillars are:

- Georesources and Energy
- Oceans and Maritime
- Disasters and Community Resilience

55. This merger has created greater efficiencies across the work programmes within these two former divisions, ensuring that opportunities and synergies can be capitalised upon, and that SPC can respond to country needs effectively.

56. The GEM Division hosts critical functions and services for the region, including disaster risk reduction/management, water and sanitation, energy and shipping. In the past year, the GEM Division has been consolidating the merger and seeking resources. Highlights for the GEM Division include the following:

Disasters and Community Resilience Programme (DCRP)

- Joint and coherent support in disaster management capacity development across a range of DCRP projects has enabled the design and delivery of some core competencies in emergency and disaster management in the region. The Pacific Islands Emergency Management Alliance (PIEMA) Project, co-funded by MFAT and DFAT, the Pacific Resilience Programme (PREP), funded by the World Bank, and the Building Safety and Resilience in the Pacific Project (BSRP), funded by the EU, worked together to revise the "Working in an Emergency Operations Centre" (WEOC) course and carry this through to regional accreditation. This has been complemented by the development of a Pacific-specific common incident management system training course, which has, for the first time, provided the region with an avenue to exploring how existing international systems can be made fit-for-purpose in the Pacific context.

- SPC continues to support countries with their disaster risk financing efforts through the management of a regional repository of hazard and exposure data, called the Pacific Risk Information System (PacRIS), established under the Pacific Catastrophe Risk Assessment and Financing Initiative (PCRAFI) in 2010. In 2018 SPC secured additional financing from the World Bank to increase these efforts in this critical area over the next several years, to update regional risk information and build country capabilities to inform planning and evidence-based policymaking.
- The Pacific Resilience Partnership (PRP) – a vehicle established to support the implementation and monitoring of the Framework for Resilient Development in the Pacific (FRDP) – brings together stakeholder groups and communities of practice in climate change, disaster risk management and development. The PRP Taskforce was officially established in 2018, and is being supported by SPC, PIFS and SPREP, as a support unit across the various agreed taskforce activities.
- Water security continues to be a key element of SPC’s support to its members. With the support of New Zealand, SPC is continuing its collaboration with five of the region’s most water-challenged atoll nations, through the Pacific Partnership for Atoll Water Security, which supports the implementation and sharing of approaches to better anticipate, respond to and withstand the impacts of drought in the Cook Islands, Kiribati, RMI, Tokelau and Tuvalu. With the support of the Global Environment Fund (GEF), SPC is progressing the design and consultation of sub-regional support for the strengthening of water security through the evidence-based management of coastal aquifers in Palau, RMI and Tuvalu. Significant water and sanitation work is also progressing in Kiribati, including support for the development of environmentally appropriate water and sanitation facilities and management capacity in outer islands through the EU-funded Kiriwatsan II project (now in its final year), as well as work with governments and partners on the design and development of potential future activities in this space. GEM is planning a Water Forum in late 2019 with interested members and development partners, to secure additional support and resources for water activities in SPC.
- The European Union – North Pacific – Readiness for El Niño (RENI) project is helping communities in FSM, RMI and Palau secure food and water resources ahead of drought. This year has seen the completion of the design phase and the start of implementation. A rights-based, gender sensitive approach is being applied throughout the entire project, with the help of SPC’s Regional Rights Resource Team and Social Development Programme. An integrated planning approach is also being adopted.
- The Global Climate Change Alliance Plus Scaling up Pacific Adaptation (GCCA+ SUPA) project commenced in January 2019. Supported by the EU with EUR 14.89 million, SPC is leading the delivery of the project, in partnership with SPREP and USP. GCCA+ SUPA aims to learn from completed projects, to scale up on-the-ground adaptation measures in specific sectors, while also building resilience capacity at the sub-national government level.

Georesources and Energy Programme

- In 2019 SPC delivered a detailed baseline study of the development minerals sector in Fiji, as part of the EUR 13.1 million ACP-EU Development Minerals Programme, financed by the European Commission and United Nations Development Programme (UNDP). The research and report was completed, in partnership with the Ministry of Lands and Mineral Resources. The study is an invaluable dataset for the Fiji government, private sector businesses and

Fijian communities, as it identified a number of key findings related to the social, environmental and economic conditions in Fiji, and recommended 38 actions to help improve the state of the sector. The recommendations provide a roadmap for progressive advancement of the sector, and will have long-lasting impacts on the social, environmental and economic conditions in Fiji.

- The Tonga-based Pacific Centre for Renewable Energy and Energy Efficiency (PCREEE) continued with its mission of accelerating the transition to low carbon development through empowering the private sector to lead and invest in renewable energy and energy efficiency. There is a notable increase in the number of independent power producers in the region and the capacity of their renewable energy installations, which contributes to progress towards national energy roadmaps and nationally determined contributions targets.

Oceans and Maritime Programme

- SPC continues to coordinate regional work on maritime boundaries, which has seen the successful declaration of 19 shared boundaries between countries since 2001. This rate of progress is unprecedented elsewhere in the world, underscoring the strength of relationships between countries and partners, as well as the commitment of all parties to progress this critical work. As the project lead, SPC coordinates and supports a range of activities, including regional working sessions, workplace attachments, in-country workshops and placements, legal drafting, political advocacy, negotiations, technical assessments and field surveys. This work is currently supported by the EU-funded PEUMP project as well as through DFAT and MFAT.
- SPC hosts the Maritime Technology Cooperation Centre in the Pacific (MTCC-Pacific), and coordinates its activities with the SPC Innovation Fund-funded Green Pacific Port initiative, to improve energy management. MTCC-Pacific will complete its pilot-project on ship energy efficiency in 2019, and is currently working in Samoa and in Vanuatu to retrofit two vessels with solar panels and in Vanuatu to test biofuel (coconut oil) on one domestic vessel.
- Gender mainstreaming is implemented across GEM programmes, through regional and national partnership and networking. For example, support to the Pacific Women in Maritime Association (PacWIMA) and national chapters has resulted in the establishment of eight Women in Maritime Associations (Fiji, PNG, Cooks, Tonga, Solomon Islands, Vanuatu, Kiribati and Nauru). A Regional Strategy for Pacific Women in Maritime (2020–2024) – a world first – has been developed, and will be submitted for endorsement at the 4th Transport and Energy Ministers Meeting in Samoa in September 2019.

Land Resources Division (LRD)

57. The Land Resources Division has recently adopted its new direction and priorities, with general support for the new priorities from members and stakeholders. Revitalising and refocusing the division has taken time, with some loss of staff. The division is now focussed on mobilising resources for its priorities, and rebuilding the capacity and capability of the division. Highlights from 2018 include the following:

- Following the Round Table Donor meeting in March, an investment strategy has been established for the Centre for Pacific Crops and Trees (CePaCT). In the short-term, DFAT, MFAT and AFD will be committing resources to attain the status of Centre of Excellence.

Investments are foreseen through the Crop Trust Endowment Fund that should assure an annual contribution of EUR 1 million in perpetuity.

- New Zealand, through its Crown Agency, Landcare, is stepping up investments in genetic resources – mainly for plant health and information management and in effective use of healthy seedlings through the Pacific Seeds for Life initiative.
- DFAT and ACIAR are increasing their investments in Coconuts. ACIAR approved AUD 2 million funding for the Coconut Genetic Resources project, which aims at safeguarding the genepool in PNG from pest and diseases. DFAT also aims to strengthen the Coconut Genetic Resources Network (COGENT), in partnership with the International Coconut Community. LRD, through a co-funded Coconut resources expert at CePACT, will be a strategic partner in this process.
- LRD is working on investments in Sanitary and Phyto-Sanitary Standards (SPS) and Biosecurity, and strengthening the necessary institutional mechanisms for effective biosecurity. LRD expects a grant from the EDF11 (EUR 12 million), and is working with FAO on a GCF project (USD 39 million on the effect of climate change and food security and threat of invasive species). LRD is positioning itself to take a leading role in coordinating biosecurity concerns in the Pacific.
- New Zealand is supporting LRD in a regional response to CRB(G) in the Pacific, leveraging the technical and institutional results at a regional scale (NZD 4 million).
- LRD is taking forward two integrated projects for possible GCF funding: 1) food systems for health and nutrition; and 2) one health, promoting environmental, public and animal health in the pacific region.
- LRD is a member of a task force, with the Government of Samoa (MoA and MoF) and FAO, in organising the second Pacific Week of Agriculture, in October 2019.

Public Health Division (PHD)

58. The Public Health Division is rebuilding, after many years of neglect and diversion, towards managing the Global Fund to Fight HIV/AIDS, Malaria and TB. Until this recommitment, there had been no effective public health services provided to members. It has taken time to rebuild and secure resources for the division. PHD has been able to secure a significant quantum of new resources for its work, from MFAT, DFAT and AFD. Highlights for the division include the following:

Health Security/REI programme

- Accreditation of the full Strengthening Health Intervention Program (SHIP), comprising the Postgraduate Certificate in Field Epidemiology (PGCFE), Postgraduate Diploma in Applied Epidemiology (PGDAE) and Masters in Applied Epidemiology (MAE), in January 2019. PHD has also scaled up implementation.
- Support to Yap, FSM, for enhanced surveillance during MicroGames: PHD was able to bring in a team (Pohnpei, CDC and SPC) under the umbrella of SPC to provide coordinated and collective support on disease/syndrome surveillance, laboratory, response and risk communication.
- Signing of MOUs with the four Pacific Public Health Surveillance Network (PPHSN) Level 2 Laboratory Networks (LabNet): (i) Mataika House National Public Health Laboratory, Fiji Ministry of Health and Medical Services; (ii) Guam Public Health Laboratory, Guam Department of Health and Social Services (Guam DPHSS); (iii) Institut Pasteur New Caledonia (IPNC); and (iv) Institut Louis Malarde (ILM), French Polynesia – for laboratory strengthening

support to Level 1 (national) laboratories, through mentorship and capacity building in identified priority areas – under the AFD/SPC project, Strengthening capacities of PPHSN.

NCD Prevention and Control programme

- Increased support from MFAT (NZD 1 million) and DFAT (AUD 1 million) to support strengthening of NCD activities, with a focus on childhood obesity.
- Strengthened policy, legislation and guidelines (e.g. tobacco legislation, taxation on sugar-sweetened beverages, healthy living guidelines) to address NCDs in PICTs, including Fiji, Niue, Tokelau, Tonga, and Wallis and Futuna, supported by SPC.
- Improved NCD accountability at the regional and national level, by establishing a regional mechanism (Pacific Monitoring Alliance for NCD Action), and monitored the progress of NCD action in PICTs including French Polynesia, Kiribati, Nauru, New Caledonia, Niue, PNG, Solomon Islands, Tonga, and Wallis and Futuna, led by SPC.
- Enhanced stakeholder involvement, by providing technical support, training and resources support, to strengthen diabetes associations and youth groups in PICTs, including Fiji, French Polynesia, Marshall Islands, PNG, Vanuatu, Wallis and Futuna, and ministries of health in all PICTs.

Clinical Services Programme

- Convened the Regional Directors of Clinical Services meeting and supported the Chief Nurses from PICTs, and attended the South Pacific Chief Nurses meeting in Cook Islands. These two forums, supported by DFAT, strengthened the regional health governance mechanisms in preparation for the Pacific Health Ministers meeting in August 2019.
- With support from DFAT, PHD completed the Regional Survey of Emergency Care, in partnership with Monash University, The Australian College of Emergency Medicine (ACEM) and Emergency Care Health workers from PICTs.
- PHD convened the inaugural Regional Meeting of Pathologists, with support from DFAT, for pathologists from PICTs and from the Royal College of Pathologists Australasian (RCPA).

Other items

- Revival of the Pacific Health Information Network (PHIN) and the development of the PHIN Strategy and Roadmap 2019–2021.

Resource Mobilisation

- The Commonwealth Secretariat is continuing its funding for the role of NCD Advisor – Legal
- Finalisation of support from DFAT on Health Security funding for positions.
- Discussions with EU on Intra ACP funding for a proposal on Health Security, for EUR 3 million over four years.

Regional Rights Resource Team (RRRT)

59. The Regional Rights Resource Team has generated considerable interest in the region. The work of the RRRT team is valued by members and development partners, and requests for RRRT's technical support have been steady. RRRT has been fortunate to secure most of the resources needed for its work programme. The team has grown significantly, from 22 staff members in April 2018, to 34 staff members in May 2019 – the largest the team has been. Activities during the year have included the following:

- Supporting the growing interest in the Pacific for National Human Rights Institutions (NHRI):
 - RRRT provided technical assistance to FSM and Kiribati in relation to their respective investigations into the establishment of an NHRI.
 - RRRT continued to provide technical assistance to strengthen NHRIs in Fiji, Samoa and Tuvalu.
- Supporting Pacific Island countries in meeting their reporting obligations under the international human rights framework:
 - In recent years, PICs have significantly improved their reporting to the UN Human Rights Council and to the human rights treaty committees, under the international human rights framework.
 - RRRT provided technical assistance to Vanuatu with respect to its reporting obligations to the UN Human Rights Council under the Universal Periodic Review process.
 - RRRT provided technical assistance to nine PICs in relation to the preparation of 10 reports under the Convention on the Rights of the Child, Convention on the Rights of Persons with Disability, and the Convention on the Elimination of all forms of Discrimination Against Women.
- Establishment of a Regional Working Group on Domestic Violence Legislation Implementation:
 - The Working Group was established out of a regional consultation on domestic violence in the Pacific (October 2018), and comprises high-level government representatives from 11 PICs – Fiji is the Chair; Samoa is the Deputy Chair; RRRT is the Secretariat. It will meet regularly (twice a year) to:
 - share information and good practices in relation to the implementation of domestic violence legislation;
 - discuss common regional strategies and initiatives to improve the implementation of domestic violence legislation;
 - agree on action plans to reflect regional priorities on domestic violence legislation and to meet the needs of its members.
 - This is the first mechanism of its kind in the region, and should ensure a more cohesive and effective regional approach to addressing violence against women.
- Tonga Family Protection Legal Aid Centre – agreement by the Government of Tonga to progressively take full ownership of the centre over a three-year period:
 - In 2017 RRRT developed a pilot project, in partnership with the Ministry of Justice in Tonga, to establish a legal aid centre for survivors of domestic violence.
 - RRRT provides technical assistance to the centre, as well as funding for Year 1 of the project through DFAT and SIDA grants, however the government has now agreed to move to full ownership of the centre from 1 July 2022.
 - The centre has two objectives:

- increase access to justice for survivors of domestic violence by providing free legal aid services through the centre; and
 - increase the capacity of survivors to effectively apply for the various protection orders under the Family Protection Act (FPA), through the provision and availability of free legal advice and assistance.
 - The first year of operation of the centre has seen a substantial level of assistance provided to women and vulnerable people.
 - While the focus in the pilot year was on Tongatapu, the centre is increasingly looking at servicing the outer islands.
- Support for the implementation of the Solomon Islands Family Protection Act 2014 (FPA):
 - In 2018 RRRT commenced training (under its Access to Justice Project in the Solomon Islands) of Authorised Justices of the Local Court in Malaita and Guadalcanal provinces – the training was on their duties and responsibilities under the FPA, including with respect to the issue of interim protection orders (IPOs) in favour of survivors of domestic violence.
 - The marked increase in the issuing of IPOs by Authorised Justices after the training has prompted DFAT to increase its investment in the project.
- The RRRT programme on mainstreaming human rights across SPC and SPC projects continues to gain momentum:
 - RRRT delivered training on a rights-based approach to sustainable development within SPC, and to 73 SPC project beneficiaries^[1] and stakeholders^[2] across four^[3] projects and four divisions^[4].
 - RRRT is working with SPC’s Social Development Programme on a draft strategy for mainstreaming the “People-Centred Approach” (encompassing human rights, gender and social inclusion, and the relationship of people to their environment) across SPC.
- RRRT has increased its support to civil society:
 - RRRT increased the number of civil society organisations (CSOs) to which it provides capacity building support, under its Pacific Peoples Advancing Change Programme (PPAC). The support includes technical assistance, mentoring and funding for human rights-related campaigns. PPAC currently supports CSOs in Federated State of Micronesia (FSM), Republic of the Marshall Islands, Solomon Islands, Tonga and Vanuatu.
 - A key highlight was that Care Micronesia Foundation – a CSO supported by RRRT – played a major role in advocating the passing of new legislation that raised the age of consent from 16 to 18 years in Pohnpei State, FSM.
- RRRT commenced two new projects:
 - the EUR 19.5 million EU and Australian DFAT-funded Pacific Partnership to End Violence Against Women and Girls Programme brings together governments, civil

^[1] Project beneficiaries are Pacific Island government representatives from SPC states that host SPC projects.

^[2] Stakeholder are other CROP (USP, PIFS, and SPREP) agencies that form partnership with SPC programmes to implement the project.

^[3] SPC projects are Readiness for El Nino, Scaling up Pacific Adaptation, Global Climate Change Alliance and Pacific European Union Marine Partnership Programme.

^[4] The specific divisions are Public Health, Geoscience, Maritime and Energy, Land Resources and Fisheries, Aquaculture and Marine Ecosystems.

society organisations, communities and other partners to promote gender equality, prevent violence against women and girls, and increase access to quality services for survivors of domestic violence. RRRT is implementing Outcome 1 of the programme, which focuses on enhancing Pacific youth's formal (in-school) and informal education on gender equality and preventing violence against women and girls;

- the GBP 1.8 million UK-funded Pacific Commonwealth Equality Project, which focuses on: (a) establishing and strengthening Pacific NHRIs; (b) enhancing state capacity for the implementation of human rights obligations; and (c) empowering actors of change, especially those in civil society.

Social Development Programme (SDP)

60. The Social Development Programme coordinates and promotes gender, youth and culture objectives within SPC, and provides assistance for members in these areas. SDP is a small programme, which relies heavily on other divisions and teams to promote relevant activities through mainstreaming and integrated programming. The region and SPC would benefit from increasing the capacity of SDP. Highlights for SDP in 2018 include the following:

- Signing of the DFAT-funded Phase two of Progressing Gender Equality in the Pacific Project (PGEP 2). The inception phase for PGEP 2 includes planning consultations with countries and the finalisation of the MEF for PGEP 2.
- Completion of the SDP Business Plan for 2019–2023.
- Completion of Gender Assessments in Agriculture and rural sectors for five countries, in collaboration with FAO – Fiji, Samoa, Solomon Islands, Tonga, Vanuatu. These assessments will inform work in the agriculture sector, in collaboration with LRD.
- Completion of the Monitoring and Evaluation Framework for Phase Two of the Regional Culture Strategy 2017–2020. The MEF will provide the platform for the next regional culture strategy post-2020.
- Strengthening of the production and analysis of gender statistics in PICs. Evidence of governments utilising SDP's Gender Equality: Where do weStand? publications for human rights reporting.
- Contributing to the People and Social Chapter of the First Quadrennial Pacific Sustainable Development Report and the regional briefs on gender and culture.
- Increasing awareness within SPC about the importance of mainstreaming social development areas, particularly gender, across programmes and projects.
- Strengthening CROP engagement in work on gender through the CROP Gender Working Group.
- A more integrated way of working within SDP, and the development of a resource mobilisation strategy aligned with the new business plan for SDP, is ongoing.

The Micronesia Regional Office (MRO)

61. The Micronesia Regional Office (MRO) has placed strong emphasis on maintaining meaningful and effective working relationships with Micronesian members. This has allowed the MRO to initiate a conversation about programming priorities in relation to members' needs. The Marshall Islands Country Programme was the first for the subregion, with others to follow soon. Dialogue with members is ongoing for the development of relevant projects benefiting Micronesian members. This dialogue, and member's involvement in discussions, is critical to ensuring a strengthened SPC presence in the Micronesia subregion to build a long-term, sustainable technical programme to support members' needs. The MRO seeks to deepen relationships with members, donors and

partners, grow the MRO's resourcing and capacity to support the subregion's members, serve as a conduit of information from Micronesian subregional members back to the SPC technical divisions in Noumea and Suva, bring more workshops to the north, and continue to focus on the development of programmes and projects that the members see as priority. In 2018 SPC provided over 1800 days of technical assistance in-country to Micronesian members. Selected examples of SPC's projects for the subregion follow.

- The European Union (EU) – North Pacific – Readiness for El Niño (RENI) project is working to secure food and water resources ahead of drought. The three-year (2017–2020) project is funded with EUR 4.5 million from the EU, and implemented by SPC, in collaboration with the governments and people of FSM, Palau and RMI. The activities in each of the Micronesian countries focus on water security, or water and food security, since the shortage of fresh water has been identified as the most severe stressor. The focus for FSM and Palau is on water security, while in RMI the focus is on food security. The project applies a rights-based and gender-sensitive approach to project design and management to ensure well-rounded community engagement. The RENI project is one of the first projects where SPC's Social Development Programme and Regional Rights Resource Team have combined their skills and expertise to integrate a people-focused approach into a climate change/disaster risk project.
- SPC has been an integral Green Climate Fund (GCF) delivery partner for the development of the Readiness Programme for FSM – the first Readiness Programme in the Pacific. This programme enhances country ownership and access to the GCF, and provides resources for strengthening the institutional capacities of National Designated Authorities (NDAs) or focal points and Direct Access Entities, to efficiently engage with the GCF. The second phase of this programme has been approved and will commence in 2019.
- MRO is also excited about the roll-out of the newly established, EU-funded Global Climate Change Alliance Plus Scaling up Pacific Adaptation (GCCA+ SUPA). The overall objective of GCCA+ SUPA is to enhance climate change adaptation and resilience within Pacific Island countries, and the specific objective is to strengthen the implementation of sector-based, but integrated, climate change and disaster risk management strategies and plans.

The Melanesian Regional Office

62. Sub-regional collaboration continues to be facilitated by the Melanesian Regional Office for South-South collaboration in Ocean Policy formation and implementation, through the Pacific Community Centre for Ocean Science (PCCOS). PCCOS is helping Melanesian members to share their experiences and to utilise sub-regional similarities to progress ocean policy implementation. Vanuatu, in particular, has used the Regional Office to convene South-South collaboration for sub-regional unity on ocean management in the lead-up to the Decade of Ocean Science for Sustainable Development (2021–2030), to support efforts to reverse the cycle of decline in ocean health and to prepare a regional approach to demonstrate solidarity in the Pacific on the management and governance of crucial ocean resources.
63. The successful support to the Ministry of Lands and Housing Survey in the Solomon Islands has been extended by Australia for a further three years. This project has generated more new and updated legislation than any other ministry has been able to achieve in the last decade. With land as the key hindrance to economic development, SPC's targeted technical support has been able to assist the government to unlock many of the difficult barriers to development. The Solomon Islands continues

to receive a high level of support from all SPC divisions, and SPC maintains a Project Support Unit in the country, assisting all SPC work in the region.

64. The German KfW Bank, EUR 6 million PAM recovery project for Kiribati, Solomon Islands, Tuvalu and Vanuatu was successfully concluded in 2018, having provided substantial assistance for four countries in rehabilitating food systems, as well as upskilling surveillance and response staff of ministries of health to combat disease outbreaks and handle the safe disposal of toxic waste.
65. PNG has seen a marked increase in SPC's support since the opening of the sub-regional office, and the office is working closely with the Department of National Planning and Monitoring to demonstrate results for high-impact priorities identified by the government. Notable early successes have been documented in literacy and numeracy, benchmarking from the Australia supported PABER and PILNA projects, and in Ocean Policy implementation and support to the maritime sector.

A strategic view

66. The region is a crowded development space, with no clear, coherent and agreed development plan for the region. The Pacific Framework for Regionalism (FPR) provides the broad parameters for addressing the development needs of the region. The CROP agencies are responsible for progressing the priorities of the region set out by PIF Leaders and as informed by their own data and intelligence. UN agencies have undue influence through their size, presence and resources. International NGOs are usually motivated by single issues, and exert their influence through their global connections and resources.
67. CROP agencies do their best to collaborate and cooperate, but most are funded from projects that are on offer and, despite their best intentions, resource limitations can lead to competition. This is the reality for CROP, given how many of the agencies are funded. Development partners and donors determine how funds are to be used, with limited input from countries and agencies. This means that the Pacific nations are not driving the development process in the region.
68. Climate change is a cogent example of the challenges faced by Pacific countries and CROP agencies. While there is broad agreement on roles and responsibilities, agencies continue to face challenges over the detail around respective responsibilities and activities. Climate change is a critical and existential threat to lives and livelihoods in the Pacific, but the region has no clear articulation of the specific goals that are sought for the region. The Pacific would be better served if there were a clear and agreed plan on the way forward to addressing climate change threats.
69. This situation is, in large part, due to the large number of agencies in the region and the lack of clarity on their mandates. A strategic review of SPC by the joint UQ/SPC "Future SPC Project" and its assessment of future scenarios suggests that the regional architecture could be simplified and resources dedicated to better supporting important strategic areas of work. For example, a Pacific Centre of Excellence for Climate Change (PCECC) could be established at the Pacific Centre for Climate Change at SPREP, to include all climate change activities in the region. All relevant climate change activities in CROP agencies would be coordinated by the PCECC.
70. SPC is reconsidering how best to streamline its structure, including the optimum configuration and geographical location of its teams. The strategic review of future scenarios for SPC identified the Suva and Noumea divide as a potential drain on its effectiveness, although no clear solutions were offered. Operating environments where SPC offices are located have become difficult in some

locations. There are significant synergies to be realised by co-locating similar activities with our partners.

Recommendations

71. CRGA is invited to:
 - i. note the highlights of SPC's operations and activities during 2018, and the key achievements of the current Director-General of the Pacific Community over the course of his tenure;
 - ii. approve the change of CRGA and Conference dates to November each year.

IMPLEMENTATION ACTION MATRIX – CRGA 48 DECISIONS

AGENDA ITEM 2 – DIRECTOR-GENERAL'S REPORT				
Context	CRGA 48:	Comments re: implementation	Responsible Officer	
<p>The Director-General (D-G) placed the D-G's report in the context of reflection on the D-G coming towards end of term, and the ongoing challenges around SPC's financial sustainability. Delivering relevant and efficient services to members remains SPC's priority. The concept of universal availability is increasingly difficult to sustain, which makes it important for SPC to look at where it can most efficiently provide support to members. The D-G acknowledged members' requests that the Secretariat clarify areas for de-prioritisation as part of the ongoing prioritisation process. The D-G observed that prioritisation of SPC's work is only part of the review process around appropriate delivery of services to members. The D-G placed the ongoing prioritisation process in the context of changing development contexts, and the fact that SPC's configuration had remained largely unchanged for many years. The D-G affirmed the ongoing importance of SPC's engagement with agencies of the Council of Regional Organisations in the Pacific (CROP). Divisional and organisational structure is under ongoing review, under a change and transformation agenda, and a proposal to analyse the costs and benefits of any potential decentralisation was put forward. The D-G summarised highlights across divisions and programmes, and affirmed that the Secretariat aims to make integrated programming and cross-divisional work the norm across SPC.</p>	i.	noted the progress being made in the SPC change and transformation agenda;		
	ii.	noted the continuing weak financial situation of SPC;		
	iii.	approved the exploration of further decentralisation of selected SPC teams, including analysis of the costs and benefits of various options for CRGA consideration, and consultation with members over decentralisation proposals;	Ongoing work, with a paper to be presented to CRGA 49 in the Director General's report Paper 2	Director-General
	iv.	directed the Secretariat to develop country programmes with each Pacific Island country and territory (PICT) member, through a cost-effective, consultative approach;	<p>Ongoing. Agreed Country</p> <p>Programmes are now in effect for Vanuatu, PNG, Solomon Islands & RMI</p> <p>In progress: Tonga, Kiribati, Nauru</p>	Deputy Director-General (DDG) Suva

IMPLEMENTATION ACTION MATRIX – CRGA 48 DECISIONS

<p>The CRGA Subcommittee on Strategic Plan Implementation (Subcommittee) has been working hard in the areas under its mandate, and provides a very important support role to the Secretariat. The Pacific Community Results Report is a concise report on SPC’s achievements, and the Subcommittee has indicated its overall support for the latest report produced by the Secretariat, as well as for the abbreviated highlights format. The Pacific Community Strategic Plan 2016–2020 is ambitious, and financial and resource restraints have constrained some achievements. Engagement with members remains critical to SPC’s purpose, and SPC’s presence and engagement with members has been affected by those constraints. Members’ arrears remain an issue for SPC, and have substantially impacted SPC’s financial position. The Secretariat has implemented the policy on members’ arrears that was approved by members in 2017, and the D-G brought to members’ attention that this has been disruptive, and shared examples with members. Country Programming remains a priority for the Secretariat – the former joint country strategies have been replaced, as agreed with members, and alternative models have been tested and will be discussed further with members.</p>	<p>v. recognising the outcomes from the Fourth Ministers for Culture Meeting in Nadi, Fiji, in May 2018, directed the Secretariat to add culture to priority 8, alongside human rights, gender equality and youth.</p>	<p>Included in priorities; SPL provided technical assistance (TA) to the Regional Cultural Strategy technical working group meeting 3-4 December; and Theory of Change TA to the New Caledonian Culture Workshop, Province Nord, 11 December</p>	<p>All</p>
<p>AGENDA ITEM 3 – INNOVATIVE PARTNERSHIPS</p> <p>AGENDA ITEM 3A – PACIFIC COMMUNITY CENTRE FOR OCEAN SCIENCE (PCCOS)</p>			
Context	CRGA 48:	Comments re: implementation	Responsible Officer
<p>The Secretariat updated CRGA on its activities to develop the Pacific Community Centre for Ocean Science (PCCOS), following the approval by the Tenth Conference of the Pacific Community in 2017 for the establishment of the Pacific Community Centre for Ocean</p>	<p>i. noted the progress made by the Secretariat in establishing the Pacific Community Centre for Ocean Science (PCCOS);</p>		

IMPLEMENTATION ACTION MATRIX – CRGA 48 DECISIONS

<p>Science, to be hosted by SPC. The first phase of PCCOS is the establishment of a virtual centre that brings together all of SPC’s internal scientific and technical expertise in ocean science. PCCOS’s scope includes partnerships with CROP agencies, international organisations engaged in ocean science and key ocean research institutions. SPC’s ‘One SPC’ data IT project team is working on a PCCOS e-portal project, to develop the PCCOS knowledge portal as an important thematic area within the data and knowledge hub that is under development – the Pacific Data Hub. Mobilisation of resources for PCCOS as part of a larger, integrated SPC project is being explored with potential donor partners. Initial steps towards establishing PCCOS partnership agreements have been discussed with CROP agencies and key international ocean research institutions, including the French Institut de recherche pour le développement (IRD). A consultant has been engaged to develop a ten-year PCCOS strategy, with guidance from the PCCOS Project Board. The process will include consultation with SPC members on their needs for ocean information and science and their potential contribution. A sub-regional needs analysis will be undertaken, and the needs assessment will be expanded if additional funding is identified.</p>	<p>ii. requested that the Secretariat provide an update to CRGA 49 on further progress made in establishing PCCOS.</p>	<p>Paper 3 has been prepared to update CRGA 49. PCCOS governance structure is now in place, ocean-related expertise and services were mapped and the Business Plan was adopted. PCCOS is moving towards becoming a flagship for scientific excellence and the dedicated regional information and knowledge hub for ocean science.</p>	<p>DDG Noumea with Directors of FAME and GEM</p>
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AGENDA ITEM 3B – PACIFIC HUB FOR LEARNING AND INNOVATION

Context	CRGA 48	Comments re: implementation	Responsible Officer
<p>The Secretariat presented an update to CRGA on the Secretariat’s exploration of the feasibility of developing a multi-stakeholder Pacific Hub for Learning and Innovation, as directed by the Tenth Conference of the Pacific Community in 2017. The Pacific Learning and Innovation Hub (Hub) was envisaged as a potential</p>	<p>i. noted the early research and assessment work conducted by the Secretariat on the need for a Pacific Hub for Learning and Innovation (Hub), and innovation capabilities within the Secretariat to meet that need;</p>		

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<p>collaborative platform, designed by Pacific Island countries and territories (PICTs), CROP agencies and other stakeholders, including the private sector, to advance novel ideas and solutions to Pacific development challenges. The Secretariat updated CRGA on its research into the need for innovation and documentation, and sharing of learning in the Pacific, the level of CROP interest in a regional Hub concept, and the innovation capability in the Secretariat to support the Hub. The Secretariat requested member input in relation to whether the Secretariat should continue exploring alternative models of partnership and opportunities to support innovation in the region.</p>	<p>ii. noted the CROP Deputies’ discussion of the Hub and their wish to further consider the utility of a regional platform against their agencies’ individual plans and priorities for learning and innovation;</p>		
	<p>iii. requested the Secretariat to continue to explore opportunities for fostering innovation within SPC.</p>	<p>Ongoing</p> <p>CRGA Subcommittee considered, but did not support, a proposal to co-design an innovative partnership for evidence and insight.</p>	<p>Led by SPL</p> <p>Responsibility of all</p>

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AGENDA ITEM 4 – STANDING AGENDA ITEMS

AGENDA ITEM 4.1A – REPORT FROM THE PACIFIC BOARD FOR EDUCATIONAL QUALITY (PBEQ) – A CRGA SUBCOMMITTEE – THE PBEQ REPORT TO CRGA

Context	CRGA 48:	Comments re: implementation	Responsible Officer
<p>CRGA received the outcomes of the third (3rd) annual meeting of the Pacific Board for Educational Quality (PBEQ) subcommittee (PBEQ Subcommittee), as agreed by the members of the PBEQ Subcommittee on 23 March 2018. The Secretariat presented the key decisions from the board meeting, including direction from the PBEQ Subcommittee that: SPC’s Educational Quality and Assessment Programme (EQAP) will further investigate achievement levels and develop actions to improve capacity, resources and confidence in the qualification across participating countries; EQAP will do further work to identify the mechanics of mutual recognition and provide further information on how mutual recognition could work in the Pacific region, taking into consideration the implications and obligations of the Tokyo Convention and PACER Plus; and EQAP will coordinate the data collection for the UNESCO Institute for Statistics (UIS) second Catalogue of Learning Assessments and support countries in verifying and updating data already collected in the first Catalogue of Learning Assessments. A terms of reference for EQAP was developed and endorsed by the PBEQ at its March 2016 meeting, and was endorsed by CRGA out of session in late 2017.</p>	<p>i. CRGA noted the report of the PBEQ Subcommittee.</p>		

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AGENDA ITEM 4.1B – UPDATE OF YOUTH HIGH-LEVEL DIALOGUE OUTCOMES: PACIFIC YOUTH DEVELOPMENT FRAMEWORK

Context	CRGA 48:	Comments re: implementation	Responsible Officer
<p>The Secretariat presented a summary of SPC’s contribution to the implementation of the Pacific Youth Development Framework (PYDF) 2014–2023, which was identified as a standing CRGA agenda item at CRGA 45. Priority areas of work are: integrated programming; youth indicators; youth employment; youth engagement; and youth policy. CRGA affirmed support for the Secretariat’s work on youth issues in the Pacific. The Secretariat identified the lack of resources, regionally, committed to support for youth in the Pacific, and noted the need for further investment in youth in the Pacific.</p>	<p>i. noted the progress of members in increasing their focus on the youth sector, and related capacity and investment;</p>		
	<p>ii. considered the readiness of members and development partners to promote opportunities for youth, in particular by addressing youth unemployment;</p>		
	<p>iii. endorsed the focus on strengthening national systems for youth statistics, including increasing SPC’s capacity to monitor the status of youth through data and analysis;</p>		
	<p>iv. recognised the need for additional dedicated resources from all stakeholders to support efforts to address youth priorities.</p>		

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AGENDA ITEM 5 – STRATEGIC PLAN MONITORING AND RESULTS REPORTING FOR THE PACIFIC COMMUNITY – REPORT FROM THE CRGA SUBCOMMITTEE ON STRATEGIC PLAN IMPLEMENTATION

Context	CRGA 48:	Comments re: implementation	Responsible Officer
<p>The Chair of the CRGA Subcommittee on Strategic Plan Implementation (the Subcommittee) thanked outgoing members of the Subcommittee, and welcomed incoming members. The Chair of the Subcommittee updated CRGA on the Subcommittee’s meeting on 29 and 30 May 2018, at which the Subcommittee considered the following matters: the draft Pacific Community Results Report 2017 (Results Report) and self-assessment of progress; the Pacific Community Results Report 2017 – Results Highlights; SPC prioritisation; the mid-term review (Review) of the Pacific Community Strategic Plan 2016–2020 (Strategic Plan) and partnership survey; Country results summaries; and SPC’s budget for the financial year ending 31 December 2019. The Secretariat has provided a new set of reports this year – Country Results Summaries – to report on activities in member states, and the Subcommittee assessed the report formats. Members were supportive of the comprehensive Results Report produced by the Secretariat. The Subcommittee asked the Secretariat to provide a deeper explanation about how it conducts the self-assessment of progress in the Results Report.</p>	<p>i. noted the immediate, mid-term and long-term recommendations made by the Subcommittee, to assist CRGA in its annual consideration of the Secretariat’s progress in the implementation of the Pacific Community Strategic Plan 2016–2020;</p>		
	<p>ii. endorsed the Pacific Community Results Report 2017, noting that the Secretariat has incorporated the improvements suggested by the Subcommittee;</p>		
	<p>iii. directed the Secretariat to continue pursuing prioritisation as part of SPC’s ongoing business model and provide updates to the CRGA Subcommittee as needed;</p>	<p>Ongoing. Paper presented at CRGA Subcommittee meeting, Nov. 2018</p> <p>Findings from the Strategic Plan Mid-Term Review describe the change processes associated with successful projects, which is useful for prioritisation discussions. Achievements against priority areas will be</p>	SPL and DDGs

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		highlighted in the 2018 Results Report.	
	iv. noted the Subcommittee’s comments to the Secretariat regarding the mid-term review of the Pacific Community Strategic Plan and partnership survey; country results summaries for 2017; and SPC’s budget for the financial year ending 31 December 2019.		
AGENDA ITEM 6 – FRAMEWORK FOR PACIFIC REGIONALISM (FPR)			
AGENDA ITEM 6.1 – CROP COHESION AND COORDINATION, INCLUDING REGIONAL GOVERNANCE AND FINANCE			
Context	CRGA 48	Comments re implementation	Responsible Officer
<p>The Director-General affirmed that the Framework for Pacific Regionalism remains an important policy instrument for all CROP agencies – it is a fundamental blueprint and roadmap that all CROP agencies refer to. CROP agencies are making progress in achieving the goals of the FPR, but there remains work to do in the areas of CROP cohesion and coordination, and on regional governance and financing. CROP executives met in April 2018, and committed to the following actions: holding an annual meeting of CROP heads and Governing Council chairs, to progress a CROP strategic work programme; PIFS representation at annual CROP Governing Council meetings to strengthen understandings of the Framework for Pacific Regionalism and regional priorities; establishing a CROP Deputies Group, to support the implementation of regional priorities as directed by CROP executives; and developing a CROP communications strategy. A review of the CROP charter was undertaken and endorsed by CROP heads, who renewed their mutual commitment, as heads of agencies, to do better and</p>	i. noted the update on current initiatives to strengthen CROP cohesion and coordination;		
	ii. noted the call from Pacific Leaders to embed the Forum agenda across CROP and its member agencies, and directed the Secretariat to continue to give priority consideration to the Pacific Leaders’ decisions in developing its work programme, and to work proactively to support CROP cohesion and coordination in pursuit of effective regionalism;	Ongoing	DG’s Office Senior Leadership Team (SLT)
	iii. requested that the Secretariat provide out-of-session analysis and updates on the Pacific Leaders’ agenda and its impact on the work programme of SPC;	Currently in preparation	DG’s Office

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<p>provide consistent and coherent advice. The D-G provided an update to CRGA on current initiatives to strengthen CROP cohesion and coordination, in response to the 2017 Analysis of Regional Governance and Financing and subsequent 2017 Forum Leaders’ decisions for the Leaders’ agenda to be embedded across CROP and its member agencies. The CROP deputy-level meeting deals with CROP issues in more detail than can be achieved at the CROP heads level, and to operationalise decisions of CROP heads. The Pacific Islands Forum Secretariat updated CRGA on the governance and financing review that will be considered by CROP heads later in 2018.</p>	<p>iv. commended the Secretariat on its engagement with the CROP mechanism and urged it to continue to further enhance these processes.</p>		
AGENDA ITEM 6.2 – SOFT REVIEW OF FPR AND IMPLEMENTATION OF KEY PRIORITIES			
Context	CRGA 48:	Comments re: implementation	Responsible Officer
<p>The Director-General updated CRGA on the Secretariat’s implementation of key FPR priorities, in particular in the areas of fisheries, climate change and disaster risk management, and cervical cancer. PIFS updated CRGA on the current review of the FPR. The review will focus on the processes that have been established under the Framework to ensure that they deliver on its underlying principles and intent. PIFS noted that the review report and its recommendations will be considered by the Forum Officials Committee (FOC) in November 2018.</p>	<p>i. noted the update on the review of the Framework for Pacific Regionalism, and related joint work addressing priorities in fisheries, climate change and disaster risk management, and cervical cancer.</p>		

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AGENDA ITEM 6.3 – IMPLEMENTATION OF SIS LEADERS’ STRATEGY

Context	CRGA 48:	Comments re: implementation	Responsible Officer
<p>PIFS provided CRGA with a status report on progress in implementing the Smaller Island States (SIS) Regional Strategy 2016–2020, which was endorsed by SIS Leaders in Koror, Palau, in June 2016, and by Pacific Islands Forum Leaders in Pohnpei, FSM, in September 2016, as well as the Strategy’s companion Implementation Plan. The purpose of the strategy is to advocate, and build resilience and partnerships, for the development of Smaller Island States. PIFS acknowledged the important role of SPC in pursuing SIS priorities. The Forum Secretariat has progressed work in the Strategy’s priority areas of air and sea transportation, particularly regarding the negotiation of fair and equitable air services agreements and the development of a model for joint tendering of air services on selected intra-regional routes between the SIS and with neighbouring countries. Work has also progressed on labour mobility with regard to skilled migration, employment creation, and immigration facilitation, including legislative drafting of immigration laws in partnership with the Pacific Immigration Directors Conference (PIDC). Climate change work under the Strategy includes a joint SIS proposal to the Green Climate Fund (GCF), agreeing on: (i) infrastructure resilience; (ii) sustainable transport; and (iii) a climate change insurance facility as the three thematic areas SIS wish to pursue under joint proposals. The SIS</p>	<p>i. reaffirmed the SIS Regional Strategy and Implementation Plan as the basis for articulating its support for SIS regional priorities;</p>		
	<p>ii. noted the updates on air services, labour mobility, and climate change work under the SIS Strategy;</p>		
	<p>iii. agreed on activities within the SIS Implementation Plan where the Pacific Islands Forum Secretariat and SPC can build stronger partnerships in order to access the technical and financial assistance needed;</p>		
	<p>iv. endorsed SPC’s participation in the Joint CROP-SIS Attachment Programme;</p>	<p>Ongoing. SPC is represented on selection panel by Directors of GEM and LRD</p>	<p>DDGs, Directors of GEM and LRD</p>

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<p>Regional Strategy will undergo a mid-term review in late 2018 as part of the overall effort to keep it relevant and responsive to the expectations of SIS members and stakeholders. The Joint CROP-SIS Attachment Programme will commence in 2018, and will run for a minimum of three years, involving the placement of SIS representatives across all nine participating CROP agencies in fields consistent with the five priority areas under the SIS Strategy and Implementation Plan. The D-G indicated that SPC provides services in most of these areas, except air services, and has a role in all of the other areas identified in the SIS Regional Strategy.</p>	<p>v. noted the investment of the Secretariat in implementing the SIS programme, and directed the Secretariat to continue to work closely with the SIS programme, identifying and implementing actions of the SIS Strategy that are relevant to SPC's comparative strengths.</p>	<p>Ongoing</p>	<p>SLT</p>
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AGENDA ITEM 7 – OPERATIONS AND MANAGEMENT DIRECTORATE REPORT

AGENDA ITEM 7.1 – 2017 AUDITED FINANCIAL STATEMENTS

Context	CRGA 48:	Comments re: implementation	Responsible Officer
<p>The Secretariat presented SPC’s revised 2018 budget to CRGA for noting, in accordance with SPC’s Financial Regulations, which require the Director-General to inform CRGA of budget revisions. The Secretariat also presented the draft 2019 budget for consideration by CRGA. The revised 2018 budget was adopted out of session by CRGA in December 2017, based on a detailed review and recommendation by both the Audit and Risk Committee and the CRGA Subcommittee on Strategic Plan Implementation. The revised 2018 budget was restated in euro, following the decision of CRGA to change the organisation’s operating currency. This change has allowed the Secretariat to improve the quality of treasury management. The Secretariat presented a balanced budget for 2018, with expenditure and income both running at approximately EUR 82 million. The 2019 draft budget shows a deficit of EUR 2 million, but the shift of the timing of CRGA to mid-year means that there is a degree of uncertainty around the levels of funding available for the subsequent year, particularly given the organisation’s heavy dependence on project funding. SPC has a large suite of projects that are ending this year, and the Secretariat is working hard to replace project funding for the next period to reduce the projected deficit. The Secretariat requested members work with the Secretariat to ensure that new projects address priorities, and informed members that the Secretariat is in the process of finalising new projects relating to EDF11. The Secretariat is engaging in discussions with the EU, which aim to increase flexibility in the way that EU funds SPC. The organisation’s</p>	<p>i. endorsed the ‘out-of-session’ adoption of the revised 2018 budget;</p>	<p>Presented to CRGA Subcommittee, Nov. 2018</p>	<p>Director of Finance</p>
	<p>ii. noted the draft budget for financial year 2019, subject to:</p> <ul style="list-style-type: none"> a. the Secretariat presenting a revised 2019 budget that substantively addresses the current forecast deficit; b. review by the Audit and Risk Committee; c. review and endorsement by the CRGA Subcommittee on Strategic Plan Implementation by December 2018; d. out-of-session adoption by all members of CRGA before 31 December 2018; 	<p>Audit and Risk Committee reviewed the revised 2019 Budget at its meeting on 5 Nov. 2018</p>	
	<p>iii. noted the ongoing budgetary challenges for future years that stem from SPC’s high reliance on cyclical project financing;</p>		

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<p>reliance on project funding is highlighted by the squeeze in other income sources. SPC's core income is predicted to decline in 2019 by EUR 1 million, while assessed contributions are constant, and voluntary contributions are expected to decline. Adverse currency movements are impacting the predicted level of core income.</p>	<p>iv. requested that:</p> <p>a. the Secretariat publish and share with all members the core-funded SPC governance meetings (whether CRGA, Conference, subcommittees, ministerial or heads of sector meetings) that the Secretariat considers to be critical for member attendance;</p> <p>b. the Secretariat engage in discussions with members – and consider practices of other CROP agencies – to explore ways for members to directly fund their own travel and accommodation costs for participating in critical, core-funded SPC governance meetings, and present proposals as part of the out-of-session budget approval process in December 2018;</p> <p>c. a detailed review of assessed contributions be undertaken, in consultation with members, with recommendations to be submitted to CRGA 49;</p> <p>d. a detailed review of host country grants be undertaken, in consultation with host countries, on feasible and appropriate levels of host country grant, with recommendations to be submitted to CRGA 49;</p>	<p>Initial circular sent to members (Circular 18/08, 11 Sept.)</p> <p>Options proposed in Circular 18/08</p> <p>Paper 7.4 (Annex A) has been prepared to update CRGA 49</p> <p>Paper 7.4 (Annex B) has been prepared to update CRGA 49</p>	<p>DG's Office</p> <p>DDG Noumea/OMD</p> <p>DDG Noumea/OMD</p> <p>DDG Noumea/OMD</p>
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	v. requested members to scale-up their advocacy efforts in support of the Secretariat, utilising bilateralism to support multilateralism.	Ongoing	Members
AGENDA ITEM 7.3 – AUDIT AND RISK COMMITTEE REPORT			
Context	CRGA 48:	Comments re: implementation	Responsible Officer
The Chair of the SPC Audit and Risk Committee (ARC) presented the report prepared by the ARC to update CRGA on the Committee’s work over the past 12 months.	<ul style="list-style-type: none"> i. <ul style="list-style-type: none"> a. noted the report from the Chair of the SPC Audit and Risk Committee; b. approved the establishment of a small working group of interested members to consider proposed amendments to the ARC Charter and Internal Audit Charter, and the circulation of these documents to the Audit and Risk Committee and to all members for out-of-session adoption before November 2018; c. endorsed the appointment of Ms Caren Rangı as an ARC member for a term of three years. 	Submitted to members for consideration (Circular 18/12, 27 Nov.)	DDG Noumea/OMD

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AGENDA ITEM 7.4 – REPORT ON HUMAN RESOURCES			
Context	CRGA 48:	Comments re: implementation	Responsible Officer
<p>The Secretariat updated CRGA on key initiatives being undertaken by the Secretariat’s Human Resources Department (HR Department) from 2017 to 2018 to ensure its professional services meet the requirements of the Operations and Management Directorate’s (OMD) business plan, the needs of programmes and divisions and the objectives of the Pacific Community Strategic Plan 2016–2020. The HR Department has implemented, or is implementing, several projects to enhance the efficiency of its systems and processes. System development initiatives include a new online HR information system and a redesigned (automated) performance development system. Training programmes on policies, including child protection and domestic violence, have been implemented across the organisation, the latter of which goes towards fulfilling SPC’s gender mainstreaming strategy.</p> <p>The current Staff Regulations (2014) are being reviewed, and a full suite of HR policies are being drafted, with consultations with staff currently underway. The Secretariat proposed that any recommended changes to the Staff Regulations be submitted for approval out of session in December 2018. Members proposed that the Secretariat convene a working group, comprised of members, to be tasked with considering any recommended changes to the SPC Staff Regulations. The HR Department is also actively engaged in enhancing SPC’s competitiveness in the job market and its capacity to attract and retain talented people. Members commended the Secretariat for its work to ensure that</p>	<p>i. noted progress in implementing the human resources work programme and key initiatives in alignment with the Operations and Management Directorate’s business plan;</p>		
	<p>ii. directed that the Secretariat convene a working group, comprised of interested members, to be tasked with considering any recommended changes to the SPC Staff Regulations, and referring proposed changes to CRGA members for final review and approval out of session in December 2018.</p>	<p>Paper 7.7.1 has been prepared to update CRGA 49</p>	<p>DDG Noumea, Director of HR</p>

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<p>SPC’s HR policies are updated and modernised. Members affirmed support for SPC’s bilingualism policy, and its nature as a multi-lingual organisation representing the entire Pacific region.</p>			
AGENDA ITEM 7.5: REMUNERATION UPDATE AND SALARY SCALES FOR 2019			
Context	CRGA 48:	Comments re: implementation	Responsible Officer
<p>The Secretariat presented the 2019 SPC salary scales for positions advertised internationally and for those advertised locally in each of SPC’s five host countries. The scales proposed are in accordance with the recommendations of the 2015 CROP Strategic Triennial Remuneration Review (2015 Triennial Review) and address the weakening position of the Secretariat’s salary scales compared with those of other CROP agencies and the need to ensure SPC is a competitive employer, while balancing operational budgets. In</p>	<p>i. directed the Secretariat to prepare further analysis and justification of the change to salary scale and proposed salary increase, and to present these to CRGA for adoption as part of the out-of-session budget approval process in December 2018;</p>	<p>Work in progress</p>	<p>OMD – HR and Finance</p>

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<p>addition, inflation in SPC’s main host countries means that SPC salaries in local markets have depreciated. A review of the SPC salary and benefits system is in progress, and accordingly the Secretariat proposed only interim adjustments to the SPC salary scales, taking the movement of other CROP agencies into account. Members requested clarifications around the methodology used to calculate the proposed change in the mid-point of SPC’s salary scales. Members indicated reservation around the proposed salary increases in the context of the organisation’s projected budget position. The Secretariat emphasised the cost-neutral nature of the initial proposed increase, and the critical importance of SPC maintaining its ability to attract and retain appropriately qualified and skilled staff, bearing in mind that competing employers for SPC staff are not limited to CROP agencies.</p>	<p>ii. noted the update on the review of (a) the SPC reference currency for the salaries of positions advertised internationally, and (b) CROP harmonisation on human resources processes and remuneration.</p>		
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AGENDA ITEM 8 – PROCESS FOR RECRUITMENT OF DIRECTOR-GENERAL AND THE DIRECTOR-GENERAL'S PERFORMANCE ASSESSMENT			
Context	CRGA 48	Comments re implementation	Responsible Officer
Process for recruitment of Director-General	<ul style="list-style-type: none"> i. agreed to a timetable for the recruitment of the next Pacific Community Director-General, while noting the importance of flexibility, given the uncertainty surrounding the timing of the departure of the incumbent Director-General; ii. affirmed its preference, if circumstances allow, for an in-person discussion of the new Director-General proposed by the Selection Advisory Committee at CRGA 49 and the Eleventh Conference in 2019; iii. appointed the members of the Selection Advisory Committee, in accordance with the Pacific Community Governance Arrangement. 	Work in progress	DG and Director of HR
The Director-General's performance assessment	<ul style="list-style-type: none"> i. endorsed the Troika's assessment that the Director-General has, over the past year, been performing in the 'adding value zone' – that is, his performance has repeatedly exceeded the requirements of the position; ii. noted the areas of strength and areas of development identified in the Director-General's performance assessment; 		

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	<ul style="list-style-type: none"> iii. noted the Director-General has, for the second consecutive year, opted to forego any increase in his remuneration, in light of SPC's financial challenges; iv. endorsed the enhancements the Troika has made to the Director-General's performance assessment process – that is: <ul style="list-style-type: none"> a. setting out in an annual Letter of Expectations the Director-General's priorities for the year ahead; b. having ongoing performance discussions with the Director-General through the performance year; and c. utilising an online feedback process to improve the transparency and efficiency of the feedback collected as part of the performance assessment; v. noted the Troika will relay the outcome of this performance assessment to the Director-General following CRGA. 		
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AGENDA ITEM 9 – CRGA 49 AND CONFERENCE: VENUE, CHAIRPERSON AND VICE-CHAIRPERSON

Context	CRGA 48	Comments re: implementation	Responsible Officer
CRGA was advised that the venue for the meeting of CRGA 49 in 2019 will be the same as the venue for the 11th Conference, which shall be chaired by the Cook Islands, and that the Secretariat will advise members of the proposed dates for CRGA 49 and the 11th Pacific Community Conference in due course.	CRGA agreed that the Chair for CRGA 49 will be provided by Palau, and the Vice-Chair by Pitcairn Islands.		

AGENDA ITEM 10 – EVALUATION OF CRGA 48

Context	CRGA 48:	Comments re: implementation	Responsible Officer
CRGA responded to questions evaluating the conduct and content of the meeting.			

AGENDA ITEM 11: OTHER BUSINESS

Context	CRGA 48:	Comments re: implementation	Responsible Officer
Kiribati raised a range of protocol-related issues, and requested that its statement be entered into the record of the meeting, which the Secretariat undertook to do. The Secretariat acknowledged that, at high-level meetings involving members, it would continue to endeavour to exercise its best efforts to ensure that members' expectations were met, where these matters were within its control.			

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<p>RMI raised the question of meeting procedures around remote submissions to meetings, and requested that the CRGA meeting procedures be clarified around this issue. The Secretariat indicated its position of encouraging direct and full participation in meetings, and generally discouraged remote submissions. The Chair indicated that in the specific case of allowing remote submission to this meeting on behalf of one member, this was allowed on an exceptional basis. The Secretariat confirmed that the CRGA rules of procedure permit the Chair of CRGA to exercise discretion of this nature.</p>			
AGENDA ITEM NO. 12: OBSERVER STATEMENTS			
Context	CRGA 48:	Comments re: implementation	Responsible Officer
<p>CRGA heard, with appreciation, in order of presentation, statements from the European Union, Deutsche Gesellschaft für Internationale Zusammenarbeit and the Melanesian Spearhead Group (MSG). The following observers tabled their statements, to be appended, with all observer statements, to the meeting report: the International Organisation of la Francophonie, Pacific Islands Forum Secretariat, Secretariat of the Pacific Regional Environment Programme, and University of the South Pacific.</p>			
AGENDA ITEM NO. 13 – ADOPTION OF CRGA 48 DECISIONS			
Context	CRGA 48:	Comments re: implementation	Responsible Officer
<p>CRGA adopted its decisions.</p>			

Annex B: Staff Representative Committee (Suva, Noumea) joint report to CRGA

1. The Staff Representative Committees (SRCs) of Noumea and Suva have prepared this report for CRGA, in accordance with the request made by members at CRGA 46, for a report from the SRC. This report is based on the previous year's report, updated to reflect the changing situation at SPC.
2. The SRC's role is to represent the views of staff to the SPC Executive. This report describes the issues that staff have communicated to the SRC. In turn, these issues have been communicated to SPC's Executive, who recognise that these issues need to be addressed. SRC looks forward to seeing an updated plan of action for addressing the remaining issues.
3. SRC would like to thank Director-General, Dr Colin Tukuitonga, for his support of the SRC during his tenure. We know that he cares about staff welfare at SPC, and we would like to acknowledge this fact. The SRC (Suva) would like to acknowledge the regular briefings with Audrey Aumua, DDG Suva, and their effect on improved communications on the issues raised by Suva SRC.
4. SRC would also like to acknowledge the increased transparency and openness that Craig Parker, Director of Human Resources, has brought to SPC over the last year.
5. A number of positive moves were made over the last year, and are welcomed by SRC: the review of HR policies; the employee engagement survey; and the proposal to accede to the Administrative Tribunal of the ILO. The SRC also recognises that some progress has been made in addressing the issues raised by SRC's report to 2018 48 in 2018, however many of these issues remain outstanding and will require the continued efforts of the Executive and the SRC to resolve in the coming year.
6. The key issues for the SRC in 2018–19 were the following:
 - i. Communication and transparency
 - ii. Occupational Health and Safety
 - iii. Erosion of remuneration packages
 - iv. Job security and contract issues
7. If we do not address these issues, over time SPC will be unable to claim to be an employer which takes staff welfare seriously. In addition, it will expose SPC to a number of risks. Specifically:
 - i. suffering additional financial costs;
 - ii. failing to retain and attract quality staff;
 - iii. risking staff health and wellbeing.

Communication and transparency

8. Open communication and transparency in decision-making is critical to the successful operations of any organisation. SRC applauds the senior Executive and HR for their efforts in these important areas when revising the HR policies at the beginning of 2019. There was considerable consultation with staff and SRC, the reasons for new policies were clearly explained and the actual changes highlighted in some detail.
9. The SRC receives considerable feedback from staff that SPC could do better with its communication to staff and transparency of decision-making. The SRC has seen important steps from the management team in this area but believes that there is still significant room for improvement.

10. Many of the issues raised in the following report can be addressed with more attention to communication, transparency in decision-making and genuine consultation with staff. SRC has seen how beneficial this approach was with the new policies and supports the Executive and senior management in implementing a similar strategy for all future issues.

Occupational health and safety

11. Staff continue to face challenges with workplace health and safety. Without a functioning health and safety committee, staff do not feel that their safety and health are a priority or that SPC is managing these risks appropriately. Substandard facilities in Suva continue to be an issue, as do other risks throughout the Pacific where our staff work, such as tropical diseases (e.g. dengue).
12. The Executive has indicated that health and safety of employees is important and has committed to reconvening the health and safety committee and securing additional resources to focus on health and safety strategy, processes and procedures, but the SRC has yet to see specific actions.
13. The SRC also notes that the engagement survey indicated that staff are concerned with health and safety at SPC, and hopes that this will provide some action from the Executive in addressing health and safety issues.

Remuneration and contract terms and conditions

14. 2018 saw several positive remuneration developments, including an improvement in the Special Drawing Rights (SDR) exchange rates, which has seen staff recover some of the loss in salaries (in local currencies) following the sharp depreciation of the SDR in 2017.
15. However, staff have also noted some significant concerns:
 - i. Inflation in Fiji has been consistently higher than the general market increase in salaries over the past three years, leading to a substantial erosion of the purchasing power of salaries for staff based in Suva.
 - ii. Some staff have expressed concerns regarding the sensitivity of the SDR exchange rates and their salaries to potential volatility in the U.S. dollar. They are eager to see the outcomes of the review of the currency used for remuneration of international staff, as proposed by the Secretariat at CRGA 46 (2016).
 - iii. On 18 December 2018, SPC announced its decision to cancel the sponsored supplementary (Optimum) insurance plan offered through its health care insurance provider, from 1 January 2019. Instead, staff were offered to take out the product privately, at sometimes triple the previous rate. This change represents a significant sobering of the benefits package for staff and their families that wish to retain full coverage. While SRC understands the desire from SPC to avoid unsustainable costs of the health insurance programme, the timing of the decision and very short notice made it hard for staff to make alternative arrangements before the implementation date.

Contracts and job security

16. SRC heard from many local staff regarding job security, salary banding, the large gap between the salaries and benefits of international staff and those of local staff, difficulties in keeping up with the increasing cost of living and the lack of prospects for advancement.

17. We believe SPC should regard the support and development of, and investment in, local staff, including training and development, as a priority and critical step in fulfilling the mission, values and goals of the organisation.
18. In addition, staff raised concerns about the following matters:
 - i. Decisions on banding do not appear to be transparent. Staff do not understand them, and the decisions appear arbitrary and inconsistent. We understand work has been done in this area, however staff still feel uninformed.
 - ii. Advertising positions internally would be one way to promote advancement for local staff.
 - iii. Local staff in Noumea face difficulties (notably in accessing credit facilities, e.g. mortgages) due to the lack of long-term contracts – which are standard in employment contracts in New Caledonia.
 - iv. Local staff expressed concern over job security in relation to contract length and the process around contract renewal. Staff say there is insufficient notice around the renewal of contracts, and staff are unhappy about the pervasiveness of short-term contracts.

Suva-specific issues and concerns

19. **Harmonisation.** One of the overarching issues for SRC Suva is both a philosophical and practical matter – the lack of harmonisation between SPC headquarters in Noumea and the Suva regional office. It is felt that, from facilities to benefits, amenities to services, the Suva staff are not afforded the same level of investment as the Noumea staff. SRC Suva has shared a long list of disparities with the Executive and HR, and looks forward to continuing to work with them to achieve greater harmonisation with Noumea.
20. **Review of education and housing allowances for international staff.** Staff have noted that the current education allowance is not sufficient for recognised institutions; the housing allowance also does not reflect the current market for housing in Suva. Human resources has committed to addressing these concerns but has not provided a timeline.
21. **SPC Provident fund.** This issue emerged strongly during the consultations as a priority for Suva staff, who feel SPC's contribution is too low.

Noumea-specific issues and concerns

22. **Locally recruited staff.** At CRGA 44 (2014), the Secretariat requested, and CRGA approved, flexibility of contract renewal for internationally recruited staff and longer-term tenure for locally recruited staff. In 2015, a pilot procedure offering longer-term contracts was introduced, but shortly afterwards it was put on hold indefinitely as part of financial austerity measures. Locally employed staff continue to seek longer-term contracts for improved financial security. Under New Caledonian legislation, a long-term contract (contrat a durée indéterminée) is standard. The maximum term of a short-term contract (contrat durée déterminée) under New Caledonian employment law is one year, including renewals, and can only be offered under specific conditions. Locally recruited staff in Noumea are provided with three-year contracts, which does not align with New Caledonian employment law. Local staff working in New Caledonia should not have to forego job security in order to work for SPC.

Proposed solutions

23. The SRCs are jointly working with the Executive to address the issues raised in this report and have detailed a list of proposed solutions below:
- i. Put in place measures to avoid the further erosion of salaries in Fiji due to high inflation.
 - ii. Proper resourcing and attention to occupational health and safety, including full OHS audits for Suva and Noumea, for compliance with national OHS legislation and standards, or as is international best practice.
 - iii. Staff propose that the Executive and HR review disparities in conditions between Suva and Noumea, and consult with SRC and staff on ways to close the gap and improve harmonisation.
 - iv. Provide transparency on salary bands and job sizing, and more clarity on and access to the SP10 criteria and process.
 - v. SPC annually publish data on staff remuneration (band level, band %, total salary) across gender, nationality, etc.
 - vi. Consideration of education and housing support for staff on local contracts.
 - vii. Provide clarity on the ongoing work regarding education and housing allowances in Suva.
 - viii. Provide clarification on the status of long-term contracts for locally employed staff in Noumea.
 - ix. Provide details of the review to explore a change in the reference currency from SDR to the euro (or other currency) for the payment of international staff salaries.
24. The SRC thanks the Executive for its support over the last 12 months and looks forward to working with the Executive to resolve the outstanding issues. The SRC will provide an update on progress at CRGA 50.