

REPORT OF THE 5th MEETING OF THE CONFERENCE OF THE PACIFIC COMMUNITY
(Apia, Samoa, 12–13 November 2007)

Including:

**REPORT OF THE THIRTY-SEVENTH MEETING OF THE
COMMITTEE OF REPRESENTATIVES OF GOVERNMENTS AND ADMINISTRATIONS**
(Apia, Samoa, 7–9 November 2007)

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REPORT OF THE 5th MEETING OF CONFERENCE OF THE PACIFIC COMMUNITY
(Apia, Samoa, 12–13 November 2007)

Chairperson	The Honourable Tuisugaletaua Sofara Aveau Minister of Transport, Works and Infrastructure Government of Samoa
Vice-chairperson	H.E. Hon. Alik Alik Vice-President Federated States of Micronesia

5th MEETING OF THE CONFERENCE OF THE PACIFIC COMMUNITY
(Apia, Samoa, 12–13 November 2007)

AGENDA

1. Conference Opening

- 1.1 Opening prayer
- 1.2 Speeches of welcome
- 1.3 Election of drafting committee
- 1.4 Adoption of agenda

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Letter from Chair of CRGA to Chair of Conference

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5th MEETING OF THE CONFERENCE OF THE PACIFIC COMMUNITY
(Apia, Samoa, 12–13 November 2007)

REPORT OF PROCEEDINGS

AGENDA ITEM 1 – OPENING

1. The Fifth Conference of the Pacific Community opened on Monday 12 November 2007 at the National University of Samoa.
 2. Reverend Utufua Naseri gave the opening prayer, which was followed by a hymn sung by Ms Daphne Collins.
 3. In his opening remarks, SPC Director-General Dr Jimmie Rodgers extended a warm welcome to participants. He said that the Conference marked the 60th anniversary of SPC and represented a milestone for the organisation in the provision of services to the people of the Pacific region. He expressed SPC's sincere appreciation to the Prime Minister of Samoa, the Honourable Tuilaepa Lupesoliai Sailele Malielegaoi, his government and his people for hosting the Fifth Conference and Thirty-seventh Meeting of the Committee of Representatives of Governments and Administrations (CRGA 37), and for their warmth and hospitality. He said the Conference was honoured by the presence of the Prime Minister and he extended his appreciation to the leaders, ministers and delegates from member countries and territories taking part. He also thanked the representatives of CROP agencies and other regional and international agencies attending the Conference.
 4. In his opening address, the Honourable Tuilaepa Lupesoliai Sailele Malielegaoi, Prime Minister of Samoa, recalled Samoa's longstanding association with SPC. He said Samoa had provided both the first and second SPC Secretaries-General in Afioga Afoafouvale Misimoa and Gustav Betham. Two Samoan leaders who later became joint Heads of State, Malietoa Tanumafili II and Tupua Tamasese Mea'ole, also took an active part in the very first South Pacific Conference in 1950. The Prime Minister acknowledged the presence of former SPC Secretary-General, Young Vivian, in his capacity as Premier of Niue. He alluded to the Regional Institutional Framework (RIF) adopted by the Pacific Islands Forum Leaders in Tonga and invited the Conference to further examine ways in which SPC could deliver its services efficiently and effectively without duplicating the work of other regional organisations. He commended SPC for making a difference to the lives of Pacific people over the previous 60 years, particularly at rural and community levels, and for being at the forefront of the region's drive to meet global commitments such as the Millennium Development Goals (MDGs). He noted that SPC had been instrumental in the creation of the Pacific Games and the Festival of Pacific Arts, two events that bring the Pacific together in a spirit of dialogue and friendship, as demonstrated by the recent Games hosted by Samoa. He welcomed the fact that three topics of critical importance to the region were on the Conference agenda — the future of Pacific fisheries, urbanisation and climate change. The presentations had been prepared collectively by the lead regional agencies in these areas, with SPC and FFA collaborating with Samoa on the fisheries theme. The Prime Minister noted SPC's work in leading the implementation of the Pacific Plan digital strategy and said he was optimistic that SPC would continue to provide the membership with high-quality, dedicated and relevant service for many years to come. In conclusion, he declared the 60th Anniversary Conference officially open.
 5. The opening ceremony concluded with Ms Daphne Collins singing *Pasefika*.
- **Administrative matters**
6. The Chair welcomed representatives, acknowledging the government leaders present, and noted that this was only the second time that the Conference had met in Apia since 1973.

7. The Chair said that according to the Conference Rules of Procedure, the Drafting Committee would be chaired by the representative of the Federated States of Micronesia (FSM). He thanked the representatives of Fiji, Samoa, Australia, Papua New Guinea, France, USA, and French Polynesia who volunteered to serve on the committee.

8. The meeting adopted its agenda, as attached to this report, and its hours of work.

AGENDA ITEM 2 – LETTER FROM CHAIR OF CRGA TO CHAIR OF CONFERENCE

9. The Chair of CRGA, M. Ermenegilde Simete, President of the Permanent Commission of the Territorial Assembly of Wallis and Futuna, read a letter outlining the decisions of CRGA 36 and the decisions recommended to Conference by CRGA 37, and asked Conference to consider the latter decisions. (The letter and the decisions of CRGA 36 and 37 are appended to this report.)

10. The Chair thanked the Chair of CRGA for his comprehensive report and asked representatives for comments.

11. The representative of the Federated States of Micronesia (FSM) expressed his gratitude to the Government of Samoa for its hospitality and thanked the Chair of CRGA for his report. He said the report touched on important challenges for the region and acknowledged the excellent work that had been done by CRGA. He also thanked development partners for the assistance they had provided over the past 60 years, which was deeply appreciated by FSM and the region. He looked forward to working more closely with SPC now that it had an office in Pohnpei and expressed full support for SPC's activities in the North Pacific region.

12. The representative of Papua New Guinea (PNG) thanked Samoa for its hospitality and congratulated the chair on his appointment. He expressed sincere gratitude to the SPC Director-General, executive and staff in making a difference in people's lives. He thanked development partners for their assistance and said Conference would discuss important issues relating to human and food security. The sustainability of fish resources was a relevant and timely theme for the Conference. He thanked the Chair of CRGA for his report and noted the excellent work, outcomes and decisions of the CRGA meeting. He said the three divisions of SPC were doing important work and the meeting would provide political guidance to SPC for its activities.

13. The representative of Kiribati congratulated the Chair on his appointment and thanked the Samoan Government for its warm hospitality. He thanked SPC for its valuable assistance to Kiribati. He said Kiribati valued its membership in SPC as it strives to confront the challenges it faces as a small island state (SIS) with limited resources and capacity. He welcomed the increased focus on members' development priorities and the special needs of SIS through joint country strategies, which were an important initiative by SPC. He said partnership with SPC was important to Kiribati in its efforts to achieve the MDGs and Pacific Plan objectives, and noted that SPC's strategic engagement at regional and international levels was important for the region.

14. The representative of French Polynesia thanked the Samoan Government for its hospitality and organisation of the Conference. He said SPC had done an extraordinary amount of work in 2007 considering that it had only 350 staff to cover the huge Pacific region. He noted that Conference would address important themes in fisheries and communication and congratulated the donors who wanted to help build a more intelligent Pacific, saying that with just a little more assistance the region could truly become linked to the rest of the world.

15. The representative of American Samoa congratulated the Chair on his appointment and expressed appreciation to the Prime Minister of Samoa and his government for their wonderful hospitality. He thanked the Director-General and his staff for their work on behalf of the Pacific Community. He also thanked the Chair of CRGA and participants in that meeting, saying their work would be reflected in the decisions made by Conference. He emphasised that members must cooperate to ensure SPC remained a strong organisation. He noted that when a change of name for SPC was proposed in Canberra in 1997, there were good reasons

for a change, but members insisted on retaining the acronym of SPC, which was well recognised in the region. He said that under the leadership of the present Director-General, SPC was a dynamic organisation. However, he had concerns about the recommended decisions relating to CRGA Agenda Item 3.10, Regional Institutional Framework (RIF). He did not consider that members had enough information to make a decision. He said that one of the aims of the proposed restructuring of the regional framework was to develop a critical mass of intellectual resources. There was already a mechanism for this through CROP (Council of Regional Organisations in the Pacific). He noted that the Secretary-General of the Pacific Islands Forum (PIF) had been reported as saying that chairing CROP was one of his less rewarding duties. The representative said that in his opinion that was why CROP was not effective. He suggested the charter should be changed to enable the present Chair of CROP to be replaced by the Director-General of SPC. He noted that the expansion of SPC carried with it potential dangers for the organisation, and observed that SOPAC (Pacific Islands Applied Geoscience Commission) and SPBEA (South Pacific Board for Educational Assessment) were created to focus on specific topic areas important to the region. He said that in his view, there was no harm in a little competition and duplication, which could be eliminated through means other than amalgamation, e.g. through policy direction and through a change in the leadership of CROP. He observed that there had been little discussion of the impact of the present recommendations on SPC, although the Director-General would have greatly expanded responsibilities, and the Secretariat's infrastructure would also expand. He suggested taking a step back, putting new leadership in charge of CROP, and reconsidering the proposed decision.

16. The representative of Niue thanked Samoa for the warm welcome he had been given by Samoa's Minister of Police and offered his congratulations to the Chair. He noted that the opening ceremony had profound meaning, and said that he had attended the meeting to express his thanks to SPC for its work over 60 years and to the people who have contributed to the success of the organisation. He said that SPC had addressed the basic needs — such as education and health — of people in villages, and noted that the Director-General's report had covered all these areas. He also noted that he was confident that the future of SPC would be looked after. He closed with a reflection on climate change, which was receiving insufficient attention and had the potential to negate all the other work done in the region. He made reference to the destruction experienced in Niue during Cyclone Heta, which resulted in unbelievably high water levels, and which might occur again.

17. The representative of Tonga expressed his congratulations to the Chair, thanked Samoa for its wonderful hospitality, and said he expected the Conference to generate fruitful discussions. He also thanked the Chair of CRGA for his report on existing SPC activities and future initiatives, and acknowledged SPC's donor partners. He said he looked forward to detailed discussions of the RIF, and wished SPC a happy 60th anniversary.

DECISIONS

18. Conference endorsed the CRGA report, as presented by the Chair of CRGA 37, and made the following decisions, based on its discussions and the recommendations of CRGA 37.

➤ Director-General's report

DECISION

19. Conference acknowledged and recognised the Secretariat's valuable achievements, as outlined by the Director-General in his report to the Committee of Representatives of Governments and Administrations (CRGA), and adopted the Director-General's report.

➤ **Land Resources Division overview**

DECISIONS

20. Conference
- i. directed the Secretariat to work towards concluding agreements with the:
 - a) Governing Body of the International Treaty on Plant Genetic Resources for Food and Agriculture, whereby the Centre for Pacific Crops and Trees (CePaCT) places its Annex 1 collection within the purview of the Treaty;
 - b) Global Crop Diversity Trust to source funds for conservation of samples of Annex 1 crops held in the CePaCT collection; and
 - c) relevant regional and international organisations with a view to establishing a centre within CePaCT for exchange of crop and forestry genetic resources; and
 - ii. in recognition of the request by Forum leaders, directed the Secretariat to :
 - a) develop a new agriculture and forestry initiative, including atoll agriculture, under the Pacific Plan's sustainable development pillar, and keep CRGA informed of the financial implications, if any, of the new initiative; and
 - b) jointly with the Pacific Islands Forum Secretariat (PIFS) and in collaboration with national governments, develop agriculture and forestry policies, plans of action and budgeting processes based on National Sustainable Development Strategies.

➤ **Marine Resources Division overview**

DECISIONS

21. Conference:
- i. commended and endorsed the work of the Marine Resources Division during the course of 2007 and the work programme broadly proposed for the remainder of the duration of the Division's three Strategic Programme Plans; and
 - ii. commended and endorsed several proposed new marine sector initiatives, aimed at attracting multi-donor support and intended to address emerging or existing gaps in the Divisional work-programme, as follows:
 - a) Regional Tuna Tagging Programme Phase II;
 - b) Aquatic Biosecurity Initiative; and
 - c) Coastal Fisheries Scientific Support Initiative.

➤ **Social Resources Division overview**

DECISIONS

22. Conference commended the work of the Social Resources Division during 2007, and endorsed:
- i. the strategic plan for the Human Development Programme, as presented in Annex 2 of CRGA Paper 2.2.3;
 - ii. the strategic plan for the Regional Media Centre, as presented in Annex 8 of CRGA Paper 2.2.3; and
 - iii. the decisions of the 10th Triennial Conference of Pacific Women.

➤ **Joint country strategies and country profiles achievements, challenges and directions**

DECISIONS

23. Conference endorsed the Secretariat's intention to
- i. complete joint country strategies for the Federated States of Micronesia, Niue, Pitcairn, Solomon Islands, Tuvalu and Wallis and Futuna in 2008; and
 - ii. develop further country profiles for other members.

➤ **Digital strategy implementation**

24. (This item was considered by Conference under Agenda Item 7.)

➤ **Small island states shipping**

DECISIONS

25. Conference
- i. supported efforts being made by the Secretariat to provide assistance to small island states (SIS) with respect to shipping, and directed the Secretariat to facilitate implementation of the decisions made by SIS Leaders, at their recent summit in Tonga to use existing capacity in Kiribati to serve Tuvalu and Nauru, while assessing the purchase and management of a new ship, and exploring the possible establishment of a Regional Shipping Services Agreement involving a number of states;
 - ii. supported the delivery of risk-free simulation training by SPC's Regional Maritime Programme, noting the need for training in commercial ship management in SIS; and
 - iii. encouraged additional financial support from donor partners for the establishment of an SIS ship management unit within the Regional Maritime Programme for capacity supplementation, improved technical advice and effective shipping management services.

➤ **Technical and vocational education and training**

DECISIONS

26. Conference:
- i. endorsed the Secretariat's technical and vocational education and training (TVET) strategies;
 - ii. directed the Secretariat to seek strategic discussions with Pacific Association of Technical and Vocational Education and Training (PATVET), Pacific Islands Forum Secretariat and the University of the South Pacific regarding the organisation of an effective regional support framework for TVET in the Pacific; and
 - iii. directed the Secretariat to seek donor funding to support its TVET strategies.

➤ **Public health – challenges and directions**

DECISIONS

27. Conference endorsed the work aimed at developing a ‘Framework of Priorities for Health in the Pacific’ and potential financing mechanisms that could support such a framework, with an emphasis on addressing national priorities.

➤ **Outcomes of the Pacific youth mapping exercise**

DECISIONS

28. Conference:

- i. directed the Secretariat to coordinate the development of a ‘Framework of Priorities for Youth in the Pacific’ following the completion of the Pacific Youth Mapping Exercise and in consultation with other stakeholders; and
- ii. endorsed the development of an integrated multi-stakeholder coordination framework for responding to the findings of the mapping, as a way forward.

➤ **Agriculture & forestry: participatory and integrated approaches to development and management**

DECISION

29. Conference reaffirmed the importance of participatory and integrated approaches to development and management in the work of the Land Resources Division and SPC in general.

➤ **Decentralisation of SPC services, host country arrangements and responsibilities**

DECISION

30. Conference directed the Secretariat to develop options for appropriate formal understandings and agreements with the member countries and territories in which SPC has a longer-term physical presence to facilitate matters such as the import of goods and arrangements for the placement of staff, through discussion with individual member countries and territories, as required.

➤ **Office and staff accommodation – Noumea, Suva, Pohnpei and other locations**

DECISIONS

31. Conference:

- i. noted the progress made by the Secretariat and the host governments of the three official SPC offices in addressing the office and staff accommodation needs of SPC at the three locations;

- ii. noted the commitment by the three host governments to continue to assist in meeting SPC's office space and staff accommodation requirements in the three locations;
- iii. thanked the Government of Fiji for the provision of office accommodation in Nabua, Suva, and encouraged Fiji to continue to expedite the implementation of the Pacific Village project to address the longer-term office requirements for SPC in Fiji;
- iv. noted the current arrangements in accommodating SPC-executed programmes in other member countries and territories;
- v. noted the update from the representative from Fiji on the status of the Pacific Village project, and FSM's interest in pursuing a similar project;
- vi. endorsed the request from the Secretariat to the Government of FSM to favourably consider and approve the use by SPC of SkyEdge VSAT Pacific RICS to increase the bandwidth available to the Pohnpei regional office to facilitate its video conferencing capability.

➤ **Regional Institutional Framework initiative**

32. (This item was considered by Conference under Agenda Item 9.)

➤ **Key collaborative initiatives**

DECISIONS

33. Conference:
- i. noted the Secretariat's extensive efforts to enhance the benefits available to its members through increasing collaboration with other partners in many areas;
 - ii. noted the results of these collaborative initiatives; and
 - iii. encouraged the Secretariat to continue to pursue this strategy to further enhance regional cooperation and collaboration, with the objective of maximising the value to members of the services provided by SPC and other stakeholders.

➤ **Tax situation for Fiji nationals working at SPC in Fiji**

34. (This item was considered by Conference under Agenda Item 8.)

➤ **Strategic Engagement, Policy and Planning Facility – a multi-sectoral team of senior advisers**

DECISIONS

35. Conference:
- i. endorsed the proposed core functions of the Strategic Engagement, Policy and Planning Facility; and
 - ii. noted progress with its establishment.

➤ **Audit reports**

DECISIONS

36. Conference:

- i. accepted the SPC and Provident Fund financial statements and auditors' reports, the management report on internal control-related accounting issues, and the Secretariat's response to the management report;
- ii. noted the clean audit opinions received by SPC for the eleventh year running;
- iii. noted the auditors' and Secretariat's concern on the status of arrears for some members; and
- iv. encouraged members with outstanding arrears to settle all of them as soon as possible or at least agree on an arrangement with the Secretariat on the recovery of their arrears over the next 12 months and before the meeting of CRGA 38.

➤ **CROP human resources and remuneration issues**

DECISIONS

37. Conference:

- i. approved the payment of 80% increases of the average of the quantum of the three reference markets for staff recruited internationally for grades J, K, L and M, which will result in the following increases: grade J – 5.9 %; grade K – 9.7 %; grade L – 9.0 % and grade M – 13.3%;
- ii. approved the increases for grades A and H for Suva-based staff recruited under local conditions;
- iii. noted that any increases indicated by the Noumea market survey and approved by the Government of New Caledonia for implementation in New Caledonia will be passed on to Noumea-based staff recruited under local conditions; and
- iv. noted that the cost of the above increases will be funded from (i) salary savings from the declining SDR value in the case of staff recruited internationally; and (ii) efficiency savings and other cost reduction measures for both categories of staff.

➤ **Financial year 2008 budget**

38. (This item was considered by Conference under Agenda Item 10.)

➤ **60th anniversary**

39. Conference commended SPC on publishing a book on the occasion of SPC's 60th anniversary. The book 'Meeting house of the Pacific — the story of SPC 1947–2007' provides an insider's look at sixty years of SPC developments and achievements in the region. Conference also thanked the Prime Minister of Samoa, the Honourable Tuilaepa Lupesoliai Sailele Malielegaoi, for officially launching the book.

AGENDA ITEM 3 — DIRECTOR-GENERAL'S REPORT TO CONFERENCE ON KEY ISSUES AFFECTING PICTS

40. The Director-General, Dr Jimmie Rodgers, summarised his report to Conference. He said 2007 had been a busy and productive year for SPC. He observed that SPC services are packaged into three pillars, and briefly described advances that had been made in each area. At the corporate level, he said that a number of management positions had been advertised recently in response to SPC's six-year rule, and that in addition, recruitment for a new head of the Social Resources Division was proceeding. The Director-General noted that the annexes to his written presentation provided reviews of progress in implementing key decisions from CRGA 36 and the recommendations of the SPC corporate review undertaken in 2005, and in a number of key focus areas. He spoke briefly on SPC's work programmes, describing the overall staffing and budget levels for the organisation. He stated that SPC's auditors had again raised the issue of arrears, noting that they were considering qualifying SPC's future audit results if the arrears were not successfully resolved, urging members with arrears to either pay them or develop a payment schedule with the Secretariat to settle them prior to CRGA 38. He ended his report by thanking SPC's members and development partners for enabling the organisation to achieve significant progress in a number of areas. (The full report is available from the Secretariat as Conference Paper 3.)

41. The Director-General then summarised a number of key challenges confronting PICTs into the next decade. He began by discussing the balance between available resources and population, which he noted underpins every challenge in the region. He observed that while it is necessary to talk about population figures and trends, it should be remembered that populations are made up of individual people, all of whom need resources to survive. He noted that the population is increasing in all but three PICTs. Given current trends, population growth will at some point outstrip available resources. The population doubling time of the region currently stands at about 35 years, and he raised the question of whether the region's resources could support such growth. He reviewed differences in population density between Micronesia, Melanesia and Polynesia, but noted that such averages inevitably obscure significant differences between countries even within these groupings. He presented examples of the challenges facing the region in meeting the needs of its growing population in terms of health care and education, highlighting the large number of schools and clinics that would need to be built in larger countries with rapid growth, such as PNG and Solomon Islands. He noted that education was a particular challenge in Melanesia, where only a small proportion of the population is receiving an advanced education, and stressed the need to emphasise technical and vocational training for those who do not proceed to higher levels of education. He highlighted climate change as a second challenge, noting that particularly important concerns include the alteration of complex ecosystems and related changes in biodiversity, and changing weather patterns, which have the potential to lead to major weather events such as cyclones and rising sea levels, and to reduced food security. He observed that although larger countries such as Vanuatu and PNG could cope with some impacts through relocation of populations, atoll countries lacked such options. He noted that SPREP is the leading CROP organisation working on climate change-related issues, supported by SPC and others. The Director-General spoke about protection of coral reef ecosystems and biodiversity as a third major challenge, noting that the region is home to 60% of the world's reefs. He noted that while reef resources face increasing pressure, significant advances were being made in the establishment of Marine Protected Areas (MPAs), e.g. Fiji has committed to establishing a protected area network covering 30% of its inshore and offshore marine areas. He also noted the Micronesian Challenge, which commits five Micronesian PICTs to conserving 30% of their nearshore marine resources and 20% of their forest resources by 2020; and the submission by New Caledonia to UNESCO seeking World Heritage status for its vast reef and lagoon system. He also noted efforts being made to achieve protection of forest resources. He noted several challenges that have to do with regional and international relationships. These include the need to comply with international agreements and conventions, such as the MDGs, IMO-related requirements affecting the maritime industry, and WTO requirements and regional trade agreements. Energy and petroleum issues are also significant, in particular the rising cost of energy. Trans-national crime is an important and growing concern that is being addressed by PIFS, SPC and OCO. Labour mobility is another important issue for a number of PICTs due to the significant level of remittances, which in some countries account for 30% of GDP. He noted that achievements must ultimately be made at the national level, and in this regard stressed the importance of issues such as political security, governance, human security (e.g. disease control), plant and pest control, and land issues. He also spoke about the important role of public policy in ensuring that resource use remains balanced and sustainable, and

said that ultimately the challenge lay in deriving benefits for Pacific Island people, without at the same time undermining the future of coming generations.

42. The representative of American Samoa congratulated the Director-General on his thorough report and commended him on his inspirational presentation, which he said had energised members to think about the mission of the Conference, and the needs that had to be addressed to create sustainable islands and nations in the future.

43. The representative of Niue thanked the Director-General for his presentation, noting that Conference had been informed about population issues and related future challenges, which were formidable but must be addressed.

DECISIONS

44. Conference:

- i. noted the presentation and the challenges facing the region;
- ii. further noted that some of the challenges are covered in greater detail in the policy papers for CRGA and Conference;
- iii. noted that some of these challenges are being addressed by other competent authorities but are covered in the presentation to advocate for a whole-of-government approach to addressing them;
- iv. directed the Secretariat to continue to pursue appropriate and sustainable solutions to meet the challenges that face the Pacific Community's members in areas that come under SPC's jurisdiction.

AGENDA ITEM 4 – THE FUTURE OF PACIFIC FISHERIES: PLANNING AND MANAGING FOR ECONOMIC GROWTH, FOOD SECURITY AND SUSTAINABLE LIVELIHOODS

45. Mr Johann Bell, Fisheries Specialist with SPC's Planning Unit, presented Conference Paper 4, regarding the Future of Pacific Fisheries. He said that to fulfil the component of the Pacific Plan on 'Development and implementation of national and regional conservation and management measures for the sustainable use of fisheries resources', three questions on the use of fish need to be addressed:

- i. How can tuna best contribute to economic growth?
- ii. How much fish will be needed for future food security?
- iii. How many livelihoods can be based on fisheries resources?

He observed that the Forum Fisheries Agency (FFA) and SPC were committed to helping Pacific Island countries and territories (PICTs) answer these questions so as to allow their fisheries to meet national needs for food security, and aspirations for economic growth and livelihoods. These issues will form the basis of a joint study by FFA and SPC on the 'Future of Pacific Fisheries', intended to help PICTs optimise sustainable benefits from their fisheries resources. He gave an overview of the challenges that need to be addressed to maximise economic benefits from tuna, and outlined the initiatives launched by FFA, SPC and development partners to address them. He observed that the use of fish for food security is under the spotlight because the total population of the Pacific will increase by almost 50% by 2030. Careful planning is needed to identify how best to provide nutritious food for all Pacific Islanders in the future. SPC has identified how much fish should be eaten for a healthy diet, how much fish is being eaten in the region now, and how much fish will be needed for food security in the region in 2030. The SPC study confirms that the Pacific is still extraordinarily dependent on fish, with fish making up 70–90% of total animal protein intake in many PICTs, most of which comes from subsistence fishing. The challenge for national planners is to ensure that growing populations continue to have physical, social and economic access to the fish they need. Two

technologies available to the region promise to provide access to the additional fish required. Low-cost, inshore fish aggregating devices (FADs) can provide subsistence fishers with improved access to tuna and other large pelagic fish. Policies are now needed to make FADs part of the national infrastructure for food security. Small pond aquaculture can provide households with regular ‘crops’ of fish where there is adequate fresh water. Support is now needed to develop small pond aquaculture in ways that do not pose undue risks to biodiversity, train villagers in suitable farming methods, and establish national hatcheries and distribute fry. Diversifying access to fish is well within the grasp of PICTS and will provide coastal communities with resilient ways to maintain food security in the face of growing populations, natural disasters and the uncertainty of climate change. Each PICT will need to steer its own course — national scenarios will differ depending on the need for fish in rural and urban areas, the mix of resources available to address the forecasted needs, and infrastructure for distributing and marketing fish. Livelihoods based on fisheries resources will come from four sectors: tuna fisheries (e.g., jobs associated with domestic fleets, processing plants and transshipping arrangements, and opportunities to crew on foreign vessels); development of small-scale enterprises in rural areas; establishment of enterprises to supply rapidly growing urban markets; and supplying export commodities (e.g. beche-de-mer, trochus, seaweed, ornamental aquarium products). The number of livelihoods that can be based on coastal resources is not large. In PICTs where coastal resources are not expected to meet the future needs for fish for food security, coastal finfish should be used for subsistence in preference to livelihoods, until additional sources of fish become available from FADs and small pond aquaculture. Coastal communities urgently need to be made aware of this.

46. Judith Robinson, AusAID’s Minister-Counsellor (Pacific and Regional) referred to the publication ‘Valuing Pacific Fish’¹, which sets forth guiding priorities for AusAID for the next five years. These include improving fisheries governance and institutions, supporting private sector-led development of commercial fisheries and aquaculture, sustaining small-scale coastal commercial and subsistence fisheries, supporting effective ecosystem-based management for sustainability, and improving understanding and access to information.

47. Len Rodwell, Manager of Economics and Marketing with the FFA Secretariat, noted that the Pacific benefits from fisheries through employment (e.g. in canneries, domestic long-line fisheries, the Solomon Islands pole and line fishery, and domestic purse seining, which has grown rapidly despite capital costs). He observed that major challenges include developing improved fisheries data and knowledge of the dynamics of tuna stocks and their ecosystem; improved governance, with a focus on transparency and sharing of information, public sector administration, and consultative mechanisms with stakeholders; provision of appropriate incentives and support for engagement by the private sector; deeper consideration of the socio-economic issues that influence increased participation of PICTs; and drafting of appropriate national management and development plans that also support regional efforts to restrict foreign access, and secure trade arrangements that maintain preferential market access for exports. He discussed the Vava’u Declaration on Pacific Fisheries Resources, which addresses promotion of domestic fisheries, in particular the development of national tuna industries; the Forum Leaders’ commitment to fully implementing the conservation and management measures agreed by WCPFC (Western and Central Pacific Fisheries Commission), and their call for the urgent adoption of additional measures by the WCPFC to address over-fishing of bigeye and yellowfin; development and implementation of a comprehensive regional Monitoring, Control and Surveillance (MCS) strategy; the need for strengthening, simplification and transparency of national fisheries governance and licensing arrangements; support for the current tuna tagging initiative of SPC; and the potential for new multilateral Pacific regional arrangements patterned on the Niue Treaty Subsidiary Agreement model. He also referred to ongoing scientific assistance to members, which includes capacity building in tuna fisheries monitoring, data management, reporting, and scientific support for national tuna management plans. Research such as tuna tagging, stock assessment and ecosystem analysis is conducted to better understand the impacts of fishing at both national and regional scales on tuna stocks and their ecosystem. The ecosystem approach to fisheries management has been introduced to the tuna fishery to ensure that the four species of tuna and relevant non-target species are conserved and managed effectively. Technical support and strategic advice is provided to ensure FFA priorities are advanced at the WCPFC, including tuna stock management options that do not place an undue burden on developing coastal states. He

¹ Commonwealth of Australia. 2007. *Valuing Pacific Fish: A framework for Fisheries Related Development Assistance in the Pacific — An Ocean for Growth and Stability*. Canberra: AusAID.

noted the need to strengthen FFA member country legal frameworks, assess current regional and sub-regional management regimes and develop a regional management strategy that will guide FFA members in the management of the tuna resources within their EEZs. He also noted work related to the Regional Compliance Strategy and the review of experience and best practice in institutional reform of national oceanic fisheries management administrations. He said that work is ongoing to develop an interactive program to automate the counting and recording of days fished within EEZs of PNA member countries effectively and accurately, to ensure greater control over harvesting of tuna resources within EEZs, and that analysis of economic aspects of tuna industries in PICTs was also underway. He closed by noting that adequately addressing the challenges faced in managing and developing the tuna fishery will take time, and that cooperation from all stakeholders will be required

48. Lindsay Chapman, Manager of SPC's Coastal Fisheries Programme, made a presentation on using coastal resources to meet food security and livelihood needs. He reviewed the challenges involved in managing coastal fisheries within sustainable boundaries, and focused on two options for increasing the supply of fish for food security and livelihoods: small-pond aquaculture, and the use of small, moored fish aggregating devices (FADs). He reviewed some of the features of and potential for small-pond aquaculture, and illustrated how moored FADs differed from the floating FADs used by purse-seine fisheries, stressing benefits such as the elimination of bycatch, low cost, and improved food security.

49. Ross Cain, Deputy Chief Executive Officer, Nauru Fisheries and Marine Resources Authority, spoke on the potential for sustaining coastal fisheries production through the use of low-cost, shallow water FADs, and described a pilot project in Nauru in which the low-cost FADs were accessed by simple, locally built canoes. He indicated that the FADs appeared to have the potential to provide fish security in communities throughout the region, noting that the FADs in Nauru had helped fishermen catch an estimated 16 tons of fish in three months.

50. Mr Atonio Mulipola, Assistant Chief Executive Officer, Samoa Ministry of Agriculture and Fisheries, spoke on community-based fisheries management and the development of the *alia* fishery in Samoa.

51. The representative of the United States thanked the presenters, and noted the potential effect of climate change on coral reefs, which he said was of great concern to all PICTs because of the importance of coral reefs, both economically and environmentally. He noted that the United States is very active in the international coral reef task force and welcomed the efforts being made by SPREP, SPC and other organisations. He noted the goal of the Micronesian Challenge — to ensure that 30% of nearshore marine resources in the Micronesian region are actively conserved by 2020 — observing that active conservation was not incompatible with controlled use. He made reference to a new project that was being organised by the US embassy in Suva, which he said involved USAID, SPREP and others in developing a project to address the effects of climate change on island communities. He indicated the project would involve development of both a best practices model and a demonstration project in the Pacific, with the latter probably focusing on mangrove areas. He looked forward to more work in this field with the United States' Pacific partners.

52. The representative of PNG commended the presenters, and noted his country's concerns over climate change impacts, which he said would affect the spawning grounds of both reef fish and tuna. He said that the climate change-related concerns raised previously by the Premier of Niue had to be taken seriously, observing that sea level change, coral damage and related issues were very important. He also expressed his country's appreciation for the tuna tagging project that was conducted recently in PNG, stating that the PNG National Fisheries Authority (NFA) had benefited in particular. He said that the fisheries sector in PNG contributes some 3% of PNG's national gross domestic product, and that there had been steady growth in the fisheries sector, largely due to the purse seine fishery. He observed that the prawn and long-line fishery are facing problems, in part because of the high cost of fuel. He said that although PNG has some sedentary fisheries that are overexploited, some fisheries have room for growth. He also indicated that NFA was looking at the development of an aquarium fishery for commercial purposes, and at the potential to commercially exploit the abundance of crabs. He also noted the potential for aquaculture and mariculture. He spoke of efforts to enact a responsible code of conduct for fisheries, emphasising that PNG was seeking to manage the fisheries sector sustainably. He observed that inland fisheries production had potential, but was

still very undeveloped, and outlined a number of aquaculture projects that would be undertaken with the help of various development partners. He observed that PNG's Prime Minister had undertaken to use dividends from fishing licenses for development of fishing infrastructure, so as to secure maximum benefit for rural people. He noted that compulsory offloading of a proportion of fish from the vessels of distant water fishing nations would help coastal people, and that the future development of Pacific fisheries was bright, if supported by sound management regimes.

53. The representative of Niue thanked the fisheries presenters, acknowledged the valuable contribution made by the Australian representative, and noted the need to consider the potential of aquaculture.

54. The representative of Tonga inquired whether any research had been done regarding links between life expectancy and fish consumption in the Pacific. He also asked about the potential for reef fisheries to meet protein needs.

55. The Fisheries Specialist noted that stocks of two tuna species (albacore and skipjack) are in good health. He said that fish farming is expanding rapidly around the world, but faces special challenges in the Pacific. He observed that intensive marine fish farming was difficult, and that freshwater fish farming efforts in the highlands of PNG were showing greater promise. He said that there was some research evidence of a link between fish consumption and health.

56. FFA's Director of Fisheries Development noted in relation to the debate on fisheries subsidies that the World Trade Organization (WTO) takes the position that subsidies lead to overfishing. He said that FFA was assisting PICTs with negotiations, and arguing for special differential treatment on the basis that PICTs are small and vulnerable countries. He said that these issues would be discussed at a meeting in Geneva in December. He observed that most PICTs were not WTO members, but would nevertheless be affected by WTO decisions, and that FFA thus saw the issue as an important one on which to provide assistance.

57. The representative of American Samoa said he would like to see a study that embraced what is already happening in the region. He noted that American Samoa has had a system of marine protected areas (MPA) in place for a number of years, which villages help enforce. He said that some discussions had taken place between Samoa and American Samoa over possibly putting in place a joint MPA programme. He said that the MPAs did appear to be successful in increasing certain species within the villages where they were located. He also noted other regulations that were in place (e.g. a ban on catching large parrot fish, trevally, and sharks), and some that were proposed (a ban on catching certain species during their spawning season). He suggested the joint FFA/SPC study should examine how PICTs could better use their knowledge of various species to enhance management. He also noted that some resources were shared between PICTs, and stressed the need for cooperation to promote the health of reefs and fish stocks.

58. The representative of New Zealand thanked the presenters, and indicated her country's interest in engaging further with respect to the proposed study on future fisheries challenges.

59. The representative of the United States agreed that the proposed study could be a valuable resource document, but said that his country would like further information on the planned collaboration, including details on potential cooperation with other entities, measurements of outcomes, and whether there would be an opportunity to comment on the final product.

60. The representative of France thanked the teams from FFA and SPC for the excellent document they had prepared on the future of fisheries in the Pacific. He commended their close cooperation, saying it would enable all the issues concerning the future of the sector to be addressed: stock exploitation, fishing regulations, the need to curb illegal fishing and the contribution of fisheries to development. He said France supported SPC's work to promote the sustainable development of the fisheries sector in the Pacific. France was a donor to projects in this sector, either directly through the Pacific Fund (e.g. the tuna tagging project) or as a member state (and second biggest contributor to the EDF) of the European Union, which actively supported this sector through the SCI-Fish and PROC-Fish initiatives; France wished to maintain such support for fisheries in future years. He said he was in favour of the ecosystem approach to tuna fisheries management in the Pacific. France had taken part in the international meetings for the establishment of a new

regional fisheries management organisation in the region and looked positively on the extension of conservation measures to new species within the framework of the Convention on Migratory Species. He agreed with the decision to invest in coastal fisheries and aquaculture and stated that his country was doing so through the CRISP (Coral Reef Initiative for the South Pacific) project. One component of this initiative involved research on coastal ecosystems and the development of coastal fisheries. This project would continue and a fresh injection of funding was under consideration by 'Agence française de développement' (French Development Agency). The French territories, particularly French Polynesia, offered very good research potential in the aquaculture sector. He said he was aware of the need to help states introduce effective control of fishing to combat illegal, unreported and unregulated fishing activities. France had signed a tripartite statement with Australia and New Zealand in 2006 committing the three countries to coordinating and intensifying their efforts to this end. The three naval commands met regularly for this purpose. He concluded by agreeing to the proposed joint SPC-FFA study, but took the same stance as the representatives of the United States and New Zealand, and hoped that the SPC Director-General would provide more information to conference members on the goals and implementation of the study.

61. The representative of Australia commended SPC on its presentations, and on its cooperation and collaboration with FFA. He made note of the existing ministerial level commitment to ecosystem based management, and of the request from Forum leaders to monitor and report on progress with respect to the ecological sustainability of fisheries. He noted that a forward-looking, cooperative study would be useful, and indicated interest in receiving the study's terms of reference (TOR), content outline, and timetable. He noted the need for clear statements on constraints to resources and ecological sustainability.

62. The representative of French Polynesia noted the importance of food security, and observed that 20% of overall production was produced by six countries. He agreed that FADs could play an important role in increasing food security. He thanked SPC for its support for national fishing efforts, and recommended that countries work to develop fisheries within their EEZs.

63. The Director-General said that SPC and FFA would be examining the TOR for the study during their upcoming colloquium, and would clarify areas where regional agencies could better assist member countries. He said that SPC would keep members informed of the proposed study's costs, duration and expected outcomes.

64. The Director of FFA thanked the Director-General and SPC's staff for the opportunity to make a joint presentation, and congratulated SPC on its 60th anniversary. He said that the joint FFA/SPC study needed to address both regional and national perspectives. He said that it was important to remember when developing the TOR that time was of the essence, as those taking part in regional meetings (e.g. Forum Fisheries Council, WCPFC, IATTC, etc.) would be aware. He said that the region's tuna stocks would come under increasing pressure due to the very heavy pressure being placed on global stocks, and noted the urgent need to reduce pressure on yellowfin and bigeye stocks in the region. He said he hoped the joint FFA/SPC study could help regional organisations align themselves and develop an integrated approach to addressing needs at the national level. He said it was not possible to isolate management and monitoring and evaluation, and stressed the importance of acting quickly.

DECISIONS

65. Conference:

i. affirmed

- a) the importance of fisheries to the economies, food security and livelihoods of Pacific Island countries and territories;
- b) the need to further promote domestic fisheries, in particular the development of national tuna industries, and investment in coastal fisheries and aquaculture;
- c) the need for FFA and SPC to take a long-term strategic approach to ensure fishery resources are effectively managed to provide enduring economic, social and cultural benefits for the people of the region;

- ii. welcomed the call by Pacific Islands Forum Leaders for the sustainable utilisation of fisheries resources, and given concerns regarding food security for future generations, committed to support the implementation of the decisions and commitments made by Forum Leaders in this regard;
- iii. noted the commitments made by Ministers to the implementation of ecosystem-based management of coastal and oceanic fisheries for long-term sustainability;
- iv. noted the request to SPC, FFA, PIFS and the WCPFC to monitor progress on the commitments in the Vava'u Declaration and to report to the Fisheries Ministers and the next Forum Leaders' meeting;
- v. endorsed the proposal for FFA and SPC to undertake a joint study on the 'Future of Pacific Fisheries'. This study will map out options to:
 - a) harness the greatest sustainable contributions of tuna to national and regional economic growth;
 - b) provide access to the fish needed for food security to 2030;
 - c) optimise the contributions of coastal fisheries to livelihoods and food security;
- vi. requested the SPC and FFA Secretariats to share with their respective membership the terms of reference of the study including the study methodology, cost, implications and time frame, for their inputs and endorsement prior to its implementation.

AGENDA ITEM 5 – URBANISATION IN THE PACIFIC: CURRENT TRENDS AND IMPLICATIONS FOR NATIONAL PLANNING AND DEVELOPMENT

66. Dr Gerald Haberkorn (SPC) and Dr Padma Lal (PIFS) presented a paper on the challenges arising from increasing urbanisation in the Pacific. In 2005, PIF Leaders recognised urbanisation as an emerging issue that needed to be addressed to ensure 'improved political and social conditions for stability and safety'. PIFS and SPC were tasked with co-leading implementation of Initiative 13.5 of the Pacific Plan which calls for the development of policies and plans to control urbanisation. Out of a total Pacific population of 9.3 million in 2007, an estimated 2.3 million people live in urban areas or rural towns. However, if PNG is excluded, 50 per cent of Pacific Islanders live in urban areas. The effects of rapid and uncontrolled urbanisation include poor access to land; poor housing with inadequate amenities; poor environmental conditions; inadequate infrastructure to meet basic needs of water and sanitation; lack of access to education and health services; increasing hardship, particularly for vulnerable groups such as youth and female-headed households; and concern that poverty in proliferating informal urban settlements increases the potential for violence, substance abuse and other crime. Many of these issues are highlighted by countries in their national development plans and strategies. Population growth varies between PICTs, from 2.7 per cent per annum in Solomon Islands and the Commonwealth of the Northern Marianas (CNMI) to negative growth in Niue and Cook Islands. Urban populations throughout Melanesia are expected to double in less than 25 years. Countries in other subregions, including American Samoa and Kiribati, have only slightly slower growth. Urbanisation problems relate mostly to unplanned settlements within urban and peri-urban areas. High levels of unemployment in these areas lead to increasing hardship and associated social and human security issues that particularly affect groups such as youth and female-headed households. Unmanaged urbanisation could have disastrous consequences for PICTs and is an example of a cross-cutting challenge that requires the attention of all governments and administrations. In most PICTs, changes in land tenure, land administration and land management systems are essential if beneficial development is to be assured in urban and rural areas. National and local governments share responsibility for providing clean water, sanitation, health facilities and schools to residents, but there is little coordination across government agencies or between different levels of government. Some countries have developed urban policies and action plans with the help of development partners such as NZAID, AusAID, UN-HABITAT and UNESCAP (United Nations Economic and Social Commission for Asia and the Pacific). An informal partnership comprising UN-HABITAT, UNESCAP, CLGF (Commonwealth Local Government Forum), PIFS and SPC convened regional forums to facilitate sharing of knowledge and experiences and identify ways of addressing growing urban management challenges in a coordinated manner. A draft Regional Framework of Action (RAF) was

developed after a series of consultations between this group and PICT urban planning and management agencies. However, implementation of the RAF cannot be achieved by a single agency or programme in isolation. To help coordinate regional services implementing the RAF, and create synergistic outcomes, SPC and PIFS propose the establishment of an appropriately resourced Pacific urban management support arrangement/programme, the details of which remain to be worked out. PIFS and SPC need to complete the draft RAF, including a monitoring and evaluation framework and indicators, before circulating it to PICT national and urban planners and regional development partners for comment. Once finalised, the RAF will be submitted to Forum Leaders and SPC's governing body for final endorsement in 2008. (The full text of the presentation is in Conference Paper 5, which is available from the Secretariat.)

67. The Chair thanked the presenters and invited comments.

68. The representative of the United States said that US government departments made considerable efforts to address urbanisation issues in US affiliated territories and were the dominant sources of aid. He agreed that donors needed to coordinate their efforts and looked forward to being involved in coordination mechanisms. In relation to the presenter's mention of Ebeye, he said the US gave USD 35 million per annum to the Marshall Islands. Of this, USD 5 million was dedicated to addressing problems in Ebeye, which resulted from the extremely high population density. He said that the rapid increase in the population of CNMI was largely due to the guest worker programme. Policy discussions were being held with the government on this issue, and now that the garment industry that had attracted these workers was downsizing, immigration was falling. He asked if the population predictions presented were based on the previous immigration trends or took into account the probability that there would be fewer guest workers in the future.

69. The representative of Kiribati said that his country was experiencing the impacts of urbanisation and asked if the recommendations made really addressed the issues being presented. He said urbanisation was part of growth and development. People moved to towns to access health services, education, and economic opportunities. He noted that New Zealand had a scheme to admit seasonal workers from Kiribati, and Australia had a programme to admit nurses. He expressed his gratitude for this help and asked if the US could consider providing assistance through a similar system. He said that action on urbanisation required money, e.g. to improve the infrastructure in rural areas so people were less likely to move to town. Kiribati was carrying out its own research on urbanisation. He said that the sooner the problems associated with urbanisation were tackled, the better.

70. The representative of Fiji (the Minister of Health who had just joined the meeting), congratulated the Chair on his appointment, and thanked the Samoan Government for its hospitality. He also thanked SPC's Director-General and the organisation for 60 years of work in the region. He agreed that it was a time for action in place of words, and recalled a 1980 WHO programme designed to improve people's health. The programme promoted family planning to limit the size of families. He said that emphasis on family planning would limit the number of people leaving rural areas to settle in towns and asked SPC to look seriously at promoting family planning as part of the solution to urbanisation challenges.

71. The representative of Cook Islands said the Pacific Urban Agenda (PUA) 2 workshop and development of the RAF had covered the need for institutional strengthening and more planning capacity. She noted that the Pacific Islands Planners Association had been formed in Brisbane in October 2007 to increase the capacity of regional planners and build links with development partners. She stressed that planners from PICTs had formed the association and needed support from political leaders, and recognition by them of the importance of planning in dealing with urbanisation.

72. The representative of PNG said that any regional-level action must have an effect on the ground in dealing with rising poverty associated with illegal settlements. These settlements were now becoming a political force in PNG as they determined election results in several areas. He said that in PNG, planning was on a 5-year cycle. Planning must link with action at the village level and relate to the provision of shelter and economic opportunities for residents. There was 'a disconnect' between the government and municipal authorities in dealing with landless, youth. Family planning could offer a partial solution but enforcement of policies could be difficult. He stressed that decisive political action was required to address urbanisation.

73. The representative of Niue said that when people moved to cities, they lost their culture and families disintegrated. He said that villages preserved the spirit and culture of a country, but it was difficult to persuade people to go back to villages. He noted that the traditional way of life in the Pacific Islands had included alternative energy systems and organic agriculture but these systems had been lost. A return to traditional foods and plants would improve people's health. Niue was concentrating on village development to encourage people to return to villages.

74. Dr Haberkorn noted the population predictions for CNMI were based on three scenarios, one of which included no further immigration. In relation to Ebeye's high population density and comparisons to such areas in other countries, he said Ebeye did not have the green space and the other amenities of densely populated housing areas in Hong Kong and Macau because it did not have high-rise buildings, which permitted high densities but used only small amounts of land. He noted that in Kiribati, people were being redirected from Tarawa to Christmas Island. Planning for this exercise was being done from a 5–10 year perspective, with support from NZAID, to ensure the problems experienced in South Tarawa did not recur. A long-term approach was important. He was pleased to hear the representative of Fiji acknowledge that countries could exercise control over their population growth. In Fiji, the fertility rate was now slightly less than three children per female. If PNG lowered its birth rate just slightly, it would greatly reduce the high proportion of youth in the population.

75. Dr Lal stressed that urbanisation and development were interconnected. Institutional strengthening was needed to build local capacity. Without this, any regional efforts would only have a temporary effect. She agreed with the representative of PNG that activities must be tailored to individual countries.

DECISIONS

76. Conference:

- i. acknowledged that urbanisation is a growing development challenge throughout the Pacific that demands the urgent development of coordinated policy and programmatic responses at national levels;
- ii. directed the Secretariat in collaboration with the Pacific Islands Forum Secretariat, (PIFS), as co-lead agencies under the Pacific Plan, to:
 - a) finalise the draft Regional Action Framework (RAF) and circulate it to national and urban planners in member countries and territories and to regional development partners for comment before submitting it to Forum Leaders and SPC's governing body for endorsement in 2008;
 - b) finalise the Pacific urban management support arrangement/programme, including the terms of reference and potential requirements;
 - c) provide direct assistance to members in developing their urbanisation planning processes and urban management responses.
- iii. further directed the Secretariat, in collaboration with PIFS, to:
 - a) coordinate a more strategic approach to urban planning that involves other important national, regional and international stakeholders including the Secretariat of the Pacific Regional Environment Programme (SPREP), Pacific Islands Applied GeoScience Commission (SOPAC), UN-HABITAT, United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP), Commonwealth Local Government Forum (CLGF), and key development partners such as AusAID and NZAID;
 - b) work with development partners to develop and implement 'country and territory specific' joint programmes of assistance that treat PICT priority urbanisation challenges as a matter of urgency.

AGENDA ITEM 6 – CLIMATE CHANGE: A COORDINATED ORGANISATIONAL RESPONSE TO CLIMATE CHANGE ISSUES

77. The Director-General presented the issue of climate change. He noted this issue was not a central part of SPC's work programme, and emphasised that the paper and presentation were based largely on papers that had been previously prepared by SPREP and PIFS. He observed that climate change is the most serious environmental, developmental, social, economic, political and human security challenge facing PICTs today, and listed some potential impacts of climate change. He noted that the future of many island nations is being shaped by climate change events, and that the effects of climate change, and the need for concerted and coordinated action to address its effects, are no longer simply a matter for political debate. He emphasised that climate change was a question of survival for some Pacific Community members, and stressed the need for action on the part of all members. He said the presentation was made to Conference to enhance action at the national level.

78. The Director of SPREP highlighted what was being done at national, regional and international levels to address climate change. He noted continuing calls from Pacific leaders asking the global community to take responsible action to avoid worsening of the effects of climate change. In October 2007, the 38th Pacific Islands Forum meeting reiterated its deep concern over the serious and growing threat posed by climate change to the economic, social and environmental well-being of PICTs, their communities, people and cultures. Forum Leaders called on the international community to reach agreement urgently on an effective global response to deliver on the objectives of the United Nations Framework Convention on Climate Change (UNFCCC). These objectives included avoiding dangerous levels of interference with the climate system, based on further commitments by all major greenhouse gas emitters to reduce emissions; and increasing and mobilising financial and technical resources to support adaptation efforts in developing countries. He noted the importance of the region taking action to highlight its own commitment on the issue, and observed that action by Pacific Island leaders at the regional level had taken the form of endorsement of the Pacific Islands Framework for Action on Climate Change (PIFACC) 2006–2015. PIFACC provides a basis for collective action by the region to develop and implement activities to mitigate and/or adapt to the effects of climate change. Under the coordination of SPREP, regional organisations are working with PICTs to assist in developing national mitigation and adaptation strategies to deal with climate change. He outlined some existing and upcoming projects that SPREP and the region as a whole are involved in, observing that climate change had to be addressed within a larger context, and addressed collectively.

79. The representative of American Samoa said that climate change was not an easy topic to discuss, as those in the Pacific were aware that the impacts on PICTs did not result from their own actions. He observed that climate change impacts were real, and would affect all aspects of the lives of Pacific people. He said we must slow the effects of global warming, if not for ourselves then for our children. He described a number of initiatives that had been taken by American Samoa to address climate change through reducing greenhouse gas emissions. These initiatives included increasing the fuel economy rating of new government vehicles, banning the purchase by government of 4WD vehicles except where definitely justified, using hybrid vehicles, banning the importation of vehicles more than 10 years old, installing vapour recovery equipment at all filling stations, and replacing incandescent light bulbs with compact fluorescent bulbs. He noted that these and other steps would not solve the climate change problem, but were a first step that would help motivate individuals and the private sector. He also mentioned the importance of reducing traffic through promotion of public transport. He indicated that SPC should take action by assisting in formulating and implementing a strategy on climate change.

80. The representative of the United States thanked the presenters, and acknowledged the excellent leadership of SPC and SPREP on the issue. He stressed the importance of taking action despite the fact that the Pacific region was not responsible for creating the problem, saying that this served to give the region moral authority. He said he was personally very proud of the level of environmental leadership that had come from the region, and made reference to the actions of American Samoa and the Micronesian Challenge. He noted the importance of the upcoming conference in Bali on climate change, and said the US was actively committed to the UN convention on climate change. He said the region had to look at the possibility that some island communities could not survive significant increases in sea level, and stressed the need to consider how to respond to 'unthinkable' scenarios. He said that the US Dept of the Interior co-chairs the

Coral Reef Task Force, and noted that seven members of the Conference were active participants in the Task Force. He also noted the United States had seconded a staff member to SPC, primarily to work on environmental issues.

81. The representative of the Federated States of Micronesia thanked the presenters. He said that PICTs should work very closely with regional and other international agencies and governments to address the problem of climate change. He referred to the Micronesian Challenge that had been mentioned by the US, and said that it was an important issue that should be worked on closely at the regional level.

82. The representative of Kiribati observed that climate change was a very serious problem — ‘a time bomb’ — especially for atoll countries, and agreed that unthinkable scenarios had to be considered, saying that relocation was the only potential solution if dramatic impacts (e.g. a 4–6 m rise in sea level) came to pass. The representative thanked SPC for taking up the issue in conjunction with SPREP.

83. The representative of the Marshall Islands thanked the presenters, and also thanked the region for its continuing commitment to addressing the issue, which was also discussed at the Forum. He acknowledged the US for exploring ways to address the issue. He indicated the Marshall Islands had done everything it could in relation to climate change, but said PICTs could only do so much. He asked larger countries to address their responsibilities with respect to climate change, and urged them to assist countries like his in mitigating the impacts of climate change.

84. The representative of PNG commended SPC and SPREP for the presentation, and thanked the government of the US for its work on the issue and the assistance being provided to SPC. He said that the film ‘An Inconvenient Truth’ had illustrated the stark reality of climate change, and noted the credibility of the scientific evidence. He said PNG was already facing sea level rise impacts in their outer eastern islands. He emphasised the importance of collaborative action to present the case of the Pacific to the world, including the potential plight of environmental refugees in the region.

85. The representative of French Polynesia thanked the presenters, and thanked SPREP for its activities and American Samoa for the initiatives it was taking. He said that French Polynesia has 80 atolls and few high islands, and also faces the disappearance of many of its islands within 100 years. He said they were building a new regional airport in the Marquesas, and the plan that had been developed could also be applied elsewhere. He made reference to the previous discussion on the development of fisheries in region, but raised the question ‘What is the future of the region itself?’ He said that although activities were being planned through SPREP and other organisations, and PICTs were turning to alternative energy, there were doubts about how much could be done.

86. The representative of New Zealand recognised that PICTs were extremely vulnerable to climate change effects, and said she welcomed the opportunity to discuss the issue. She said that the big challenge was moving from planning to action, and suggested it might be possible to address adaptation by enhancing existing activities. She encouraged action through modification of existing work plans.

87. The representative of Pitcairn Islands agreed that the region was very fragile, and not at fault in causing climate change. He agreed that PICTs have an unusual degree of moral authority on the subject. He noted the importance of the upcoming Commonwealth meeting as an opportunity to put large greenhouse gas emitters on notice. He recommended that the region endorse a call (within a United Nations framework) to place binding targets on developed countries. He said that by the end of 2008, Pitcairn would satisfy 60 per cent of its energy needs through wind power.

88. The representative of Solomon Islands thanked the presenters. He said that the focus on atoll countries was somewhat misleading, and noted that all PICTs would face impacts, with smaller outer islands possibly disappearing within 10–20 years. He stressed the need to consider climate change as a development issue.

89. The representative of Australia acknowledged the potential severity of climate change impacts on Pacific Community members. She noted the joint efforts being made by regional organisations to assist

members adapt to the effects of climate change, and encouraged further collaborative work to implement adaptation initiatives. She said Australia was supportive of greater international efforts, and of efforts by PICTs to develop and implement adaptation measures. She said Australia was seeking to develop better information, build understanding, and assist with adaptation.

90. The representative of France referred to the very clear statement on this subject by M. Estrosi, France's Secretary of State for Overseas Affairs, at the post-Forum dialogue in Tonga in October 2007. He would simply state, therefore, that for his country, the United Nations was the core agency and gave legitimacy to the multilateral negotiating process on climate change. France, like almost all developed countries, had signed the Kyoto Protocol designed to reduce greenhouse gas emissions over the 2008–2012 period and would be taking part in the Bali conference, where it would support the principle of shared but differentiated responsibility, which reflected both the historic responsibility of the developed world and the nascent responsibility of emerging countries. France also supported the implementation of the Rio Convention decision aiming to develop the instruments required to help the countries most vulnerable to climate change to adapt; it notably contributed to the SPA (Strategic Priority for Adaptation) programme aid fund that supported pilot projects for small island developing states. In the Pacific, France maintained a special interest in projects funded by European aid and had contributed 19% of the total funding granted by the European development Fund. The Pacific Fund and 'Agence française de développement' had also contributed on a more modest scale to a number of environmental and renewable energy promotion projects. France was willing to maintain this commitment. He referred to the FRANZ agreement signed early in the 1990s with Australia and New Zealand to coordinate their aid in the event of a natural disaster in the region, noting that one of the first impacts of climate change was likely to be an increase in the number and intensity of cyclones. France would be ready to enhance and diversify its resource contribution under this arrangement should it prove necessary.

91. The representative of Samoa thanked SPC and SPREP, and noted the need for more information regarding national measures, such as those mentioned by the representative of American Samoa. He also inquired how SPC's work programme could be re-tailored to take into account imminent threats from climate change.

92. The representative of Fiji emphasised the reality of climate change, and the need for all PICTs, especially atoll countries, to prepare.

93. The representative of Tokelau thanked the presenters, and made reference to recent discussions of climate change at the UN and Pacific Islands Forum meeting. He noted that the region did not create the problem, which is a global issue, and asked how it could best be addressed.

94. The representative of Tonga noted his country's vulnerability to rising sea levels, and observed that some villages were already being threatened at high tide. He noted the seriousness of the issue, conveyed appreciation for the work carried out by SPC and SPREP, registered his appreciation for the suggestions put forward by members, and acknowledged American Samoa's efforts. He supported the ongoing programme outlined in the presentation, and suggested the Pacific work collectively and use available international forums to voice its concerns.

95. The representative of Tuvalu thanked the presenters and acknowledged the problems that had been discussed. He said SIS in the Pacific were especially threatened, and acknowledged the commitments made at the most recent Forum meeting in Tonga by Japan, France and others. He called on the region's development partners to help in networking at the international level. He thanked the Governor of American Samoa for setting an example, and said Tuvalu would like assistance in accessing climate change adaptation programmes.

96. The representative of Wallis and Futuna spoke of his territory's environment code, which had been recently adopted as part of local efforts to protect the island environment. He also noted the recent France-Oceania summit, which adopted environment-related resolutions.

DECISIONS

97. Conference:

- i. noted the gravity of the potential impact of climate change on SPC's smaller members, while also noting that climate change will affect all SPC's members;
- ii. noted with interest the initiatives taken by the Government of American Samoa to address greenhouse gas emissions, and recommended these as possible good practice examples that could be adopted elsewhere in the region;
- iii. noted that for some of the region's low lying atoll countries, population relocation may need to be considered in the event of sea level rise;
- iv. noted the joint attempt by regional organisations to help members address the effects of climate change, and requested regional organisations to help mobilise resources to assist in development of adaptation and mitigation measures by member states (in particular, small island states) at all levels; and
- v. committed to supporting political leadership and action at national, regional and international levels to mitigate, and/or adapt to, the effects of climate change.

AGENDA ITEM 7 — THE DIGITAL STRATEGY: BRIDGING THE COMMUNICATION DIVIDE

98. The Director-General outlined SPC's role in implementing the Pacific Plan Digital Strategy, which was approved by Forum Leaders at their 2005 meeting in PNG. The strategy addresses five regional priorities for information communication technology (ICT): (i) improving access to communications technology, particularly to and from rural and remote areas; (ii) reducing costs of ICT; (iii) establishing higher bandwidth connectivity to the global ICT 'backbone'; (iv) removing inappropriate regulatory environments in order to foster higher levels of investment; and (v) strengthening human resource capacity to apply and use ICT. The Director-General noted that SPC and PIFS have now jointly secured financial resources through the Australian Government to finance a dedicated Pacific hub from the AMC 23 satellite, which will provide a low-cost satellite-based Pacific rural satellite interconnectivity system (Pacific RICS) for all rural and remote areas in the Pacific. In addition, they have facilitated consultations between 12 member PICTs and a private sector provider for a possible new submarine cable network that has the potential to bring high-speed unlimited bandwidth to the 12 countries as early as the end of 2008. They have also created awareness of the 'One Laptop Per Child' (OLPC) initiative and its potential to transform education and learning opportunities, particularly in communities where children do not have access to schools, and have made reasonable progress in other areas including benchmarking the current status of ICTs and the review and development of national ICT policies. He noted that cable was not the most feasible option for the central Pacific and that the best option for those areas might be satellite technology. He closed by noting the need for PICTs to make a serious commitment to utilising the technological solutions being made available to them so that they can realise the tremendous development potential these offer their people.

99. The representative of French Polynesia mentioned the eastern Pacific SPIN project and the proposed cable connecting Hawaii and French Polynesia, which he said enjoyed broad support. He said that French Polynesia would like this to be considered as a regional project and noted the possibility of French funding. He said the cable provided a second option to the region for cable-based information transmission. He observed that the project was ready, and that laying of cable could start in a matter of months. He said that French Polynesia would like the project to be integrated into the eastern SPIN (South Pacific information network) project. He spoke of the need for regional cooperation to access World Bank funding, or other funding, and expressed the hope that SPC could provide some support for securing funds. He said that once the cable was installed and operational, PICTs could be hooked up via a satellite connection.

100. The representative of France thanked the representative of French Polynesia for the information on the Papeete-Hawaii submarine fibre optic cable project. He confirmed France's interest, as stated by M. Estrosi at the Pacific Islands Forum meeting, in the submarine fibre optic cable planned to connect New Caledonia and French Polynesia (SPIN project); he also reiterated that the support of other donors would be needed to fund this project and that France would endeavour to identify them to form a kind of 'round table'.

DECISIONS

101. Conference:

- i. acknowledged the Secretariat's efforts and commitments made to date with respect to implementation of the Pacific Plan Digital Strategy, including elements related to the low-cost Pacific rural satellite interconnectivity system, the submarine cable project, and the 'One Laptop Per Child' (OLPC) initiative;
- ii. thanked the governments of Australia and France for their support for the Pacific rural satellite interconnectivity system (Pacific RICS) and South Pacific information network (SPIN) submarine cable project, respectively;
- iii. noted the request by PIF leaders for PIFS and SPC to continue facilitating the submarine cable project initiative, and endorsed the request by French Polynesia to have the French Polynesia/Honolulu submarine cable included as part of the SPIN, with the understanding that the laying of the French Polynesia/Honolulu cable will be funded separately;
- iv. noted also the request for SPC to report back to next year's meeting of the Pacific Plan Action Committee, Forum Leaders, and CRGA on the prioritisation by members of the OLPC as an education and information dissemination tool; and
- v. encouraged each Pacific Community member to pursue further implementation of the elements of the strategy that are appropriate for them.

AGENDA ITEM 8 — TAX SITUATION FOR FIJI NATIONALS WORKING AT SPC IN FIJI

102. The Director-General made a brief presentation on the issue to Conference, noting that Fiji nationals working for SPC in Fiji had previously enjoyed tax-free status. He explained that the Fiji government had determined in 2006 that Fiji nationals should pay tax, but that the decision had not yet been implemented, and that the Secretariat was seeking further consultation with Fiji on the subject, as recommended by CRGA.

103. The representative of Fiji indicated his country's willingness to engage in further consultations, which he said could take place in 2008, with implementation of any decisions agreed on between SPC and Fiji to be possibly implemented in 2009. He noted that this was the position of the Prime Minister's Office.

104. The representative of the Marshall Islands noted that the issue of taxation of Fiji nationals working for SPC in Fiji was one that affected, and was of concern to, all the members of the Pacific Community. He said it was an ownership issue for members, saying 'We look on this as a family matter'. He proposed that as a matter of principle, members should be involved in the consultations between the Secretariat and the Fiji government. He suggested this could be accomplished by involving Pacific Community members with Suva-based missions.

105. The representative of American Samoa proposed that the Director-General invite members with a presence in Fiji to attend the consultations between SPC and the Fiji government.

106. The Director-General noted that CRGA rules of procedure allowed for the formation of CRGA subcommittees, and suggested that a subcommittee be formed, composed of members of the Pacific Community with Suva-based missions, to participate in the tax-related consultations to be held between the

Secretariat and the Fiji government.

107. The representative of Fiji said that Fiji welcomed participation by members of the Pacific Community in the discussions, as proposed by the representative of the Marshall Islands.

108. The Director-General stressed that CRGA had indicated that options for consideration during the proposed consultations might include, but were not limited to, a request to the Government of Fiji to waive the tax requirement, or a joint agreement on a mechanism and timetable for application of the income tax.

DECISIONS

109. Conference:

- i. requested that the Secretariat hold consultations with the Government of Fiji soon after the Fifth Conference of the Pacific Community to address the issue of taxation of Fiji nationals working at SPC in Fiji;
- ii. requested that the Secretariat involve a subcommittee of CRGA, made up of Pacific Community representatives present in Fiji, in the consultations to be undertaken with the government of Fiji;
- iii. further requested the Secretariat to report on the outcome of these consultations to the CRGA meeting in 2008.

AGENDA ITEM 9 — REGIONAL INSTITUTIONAL FRAMEWORK

110. The Director-General noted that Pacific Islands Forum Leaders had agreed on a three-pillar structure for regional institutions. The Forum Fisheries Agency (FFA) would be included in Pillar 1 (Political) with the Pacific Islands Forum Secretariat (PIFS). The Pacific Islands Applied Geoscience Commission (SOPAC), Secretariat of the Pacific Community (SPC), Secretariat of the Pacific Regional Environment Programme (SPREP) and South Pacific Board for Educational Assessment (SPBEA) would remain in Pillar 2 (Technical), but the functions of SOPAC would be rationalised with and absorbed into the work programmes of SPC and SPREP, while SPBEA would be merged into SPC. The University of the South Pacific (USP) and Fiji School of Medicine would form part of Pillar 3 (Education). He said it was generally understood that each governing body would need to consider the recommendations of the RIF review team and the decisions taken by other governing bodies on the issue. Therefore, the 5th Conference of the Pacific Community was being asked to consider the decision made by Forum Leaders. He said that depending on the outcome of this consideration, Conference could decide to direct the Director-General, pending the decisions of the other governing bodies, to consult with the directors of SOPAC, SPREP and SPBEA to map out a plan to implement the new institutional arrangements for Pillar 2 organisations. The Director-General noted that he had already had preliminary consultations with the directors of SPBEA and SOPAC. Since the Forum meeting, the three organisations had shared with each other the papers being presented to their governing bodies on this topic. All three secretariats were recommending that their governing bodies consider the decision of the Forum Leaders positively and establish a time frame for its implementation. He noted that SPREP's governing council would not meet until September 2008, and that he had just received a letter from the Secretary-General of PIFS, who had to report back to Forum Leaders on progress on the issue at the 2008 Forum meeting in Niue. The way forward from the Secretary-General's perspective was for the directors of SPC and SPBEA to work together to develop an agreed strategy for presentation to their governing councils. In the letter, he also offered to facilitate a meeting between SPC, SPREP and SOPAC to achieve implementation of the decision. The Director-General said that all three bodies wanted to find ways of making the decision work, and he sought guidance from the meeting on a way forward. (For the full text of the presentation, see CRGA paper 3.10, which is available from the Secretariat.)

111. Greg Urwin, Secretary-General of the Pacific Islands Forum, noted that the work of PIFS on the issue was a direct outcome of the 2005 Forum Leaders' decision to adopt the Pacific Plan and an accompanying regulatory framework to enable regional institutions to deliver on the Plan's objectives. The initial regional institutional framework (RIF) review developed the idea of three pillars, which was considered by Forum Leaders, who requested that additional work be done on the concept. The second review (RIF 2), led by

Lourdes Pangelinan, confirmed that an amalgamation model was preferred, but members of the RIF task force were unable to reach consensus on whether a single regional organisation was the best option. RIF 2 noted other possible options for consideration by Forum Leaders, and the leaders then acted on one of these options. He said that the decision had now been made and action was required to implement it. PIFS could facilitate a meeting to allow the heads of SPC, SPREP and SOPAC to map out a process. Consultation with members and donors of each organisation would also be required. He suggested the organisations should aim to put a plan in front of their relevant governing councils in 2008, and that a report would also need to be made to Forum Leaders in 2008. He suggested that the future of CROP was tied to the issue, saying that CROP had enjoyed some successes, with growing de facto cooperation between CROP organisations. He suggested that in terms of delivering consistent services to members, CROP was far from perfect, and said that given its set-up and limitations, that would continue to be the case. He suggested that CROP should become a service delivery council based on the three regional pillars, with PIFS relinquishing the CROP chair's function to concentrate on its own political and policy functions. The new coordination body would concentrate on technical services, with SPC, as the largest technical organisation, as chair. The new body would report annually on progress. He closed by noting that the proposal would require further discussion but might be the logical next step in improving regional service delivery.

112. The representative of American Samoa noted that American Samoa and the United States had disassociated from the decision by CRGA to recommend to Conference that it endorse the decision of Forum Leaders regarding SOPAC, as they wanted more information on the implications of such a move before committing themselves. He also commented on the current role of PIFS in coordinating CROP, suggesting that SPC was better placed to serve as the coordinator.

113. The representative of Fiji thanked the Secretary-General for his presentation. She noted that some SPC members had expressed their disagreement with the position expressed by Forum Leaders, and asked if it was possible to note rather than endorse the leaders' position.

114. The representative of PNG noted that 16 countries had already endorsed the rationalisation of SOPAC's functions into SPREP and SPC during the Forum Leaders' meeting, and suggested that Conference adopt the recommendation made by CRGA 37, provided that the discussions proposed by the Secretary-General of PIFS addressed the concerns raised by the United States and American Samoa regarding cost implications.

115. The representative of Samoa thanked the Secretary-General for his presentation, and said that, in his view, the draft decision before the Conference adequately addressed the issues raised by the United States and American Samoa. He said that the focus of the discussion should be on whether SPC had the capacity to take on some of SOPAC's programmes, and noted that the Director-General had said this was possible.

116. The representative of France asked whether the consultations referred to in the recommendation would be able to commence shortly or whether it would be necessary to wait for the meetings of the governing bodies of the three organisations concerned, which was likely to take some time, given that the next meeting of SPREP's governing body was not until September 2008.

117. The Secretary-General of PIFS said that he had suggested a meeting early in 2008 for initial discussions, but the timing would need to be worked out with SPREP.

DECISIONS

118. Conference:

- i. noted the decision taken by the Pacific Islands Forum (PIF) Leaders on their preferred institutional arrangement for the Forum Fisheries Agency, Secretariat of the Pacific Islands Applied Geoscience Commission (SOPAC), South Pacific Board for Educational Assessment (SPBEA), SPC and the Secretariat of the Pacific Regional Environment Programme (SPREP);

- ii. endorsed the position taken by PIF leaders as the basis for a draft roadmap for the consideration of CRGA 38, while recognising that although the United States and American Samoa support the goal of improving coordination, efficiency and service delivery, they were not able to endorse the position taken by PIF Leaders without additional information concerning the proposal's implementation and associated implications;
- iii. noted that the matter will also be considered by the governing bodies of SOPAC, SPBEA and SPREP;
- iv. accepted the offer by the Secretary-General of the Pacific Islands Forum Secretariat to facilitate consultations between the CEOs of the four organisations concerned, including appropriate involvement of member representatives, development partners and other CROP agencies, and recommended that the discussions between the CEOs be usefully guided by a set of principles. Such principles could include:
 - a) transparency and timeliness with respect to the process, and effective involvement of stakeholders;
 - b) cost-effectiveness;
 - c) a focus on the RIF objective of creating an institutional framework that further improves service delivery to PICTs and assists with the effective implementation of the Pacific Plan;
 - d) the need to address the full range of legal, organisational, administrative, governance, membership and financial implications;
- v. instructed the Director-General to work closely with the CEOs of the three organisations to map out a draft plan to implement the institutional arrangements outlined by leaders for Pillar 2 organisations and to present the plan to CRGA 38;
- vi. noted the intention of the Secretariat to involve the membership at various stages in the development of the roadmap through provision of regular updates; and
- vii. requested the Director-General to consult with the Director of the Forum Fisheries Agency concerning the implementation of recommendation A of the Forum Leaders' decision, calling for 'the inclusion of the Pacific Islands Forum Fisheries Agency in Pillar 1, in order to recognise the Agency's central regional role and to provide fisheries issues with the political profile they require'.

AGENDA ITEM 10 — FINANCIAL YEAR 2008 BUDGET

119. The Director-General presented SPC's proposed budget for financial year 2008. He said that in line with organisational policy, the Secretariat proposed a balanced budget. Total funds available were 49,324,200 CFP units, comprising core funds of 10,227,900 CFP units and non-core funds of 39,096,300 CFP units. Planned expenditure was 49,324,200 CFP units. The budget provided for the continuation of three new initiatives that formed the basis of the Secretariat's justification for the 10% increase in assessed contributions agreed to in 2006: strengthening of the Pohnpei Regional Office, implementation of joint country strategies and strengthening of the Human Development Programme. The budget also provided fully for the cost of proposed salary adjustments (see CRGA Paper 7.3) and other necessary cost increases. The budget document accompanying the paper highlighted the strategic objectives, expected outputs and key performance indicators of SPC divisions, programmes and programme support units, which were sourced from the various strategic plans, including those approved by CRGA last year. It also linked these objectives, outputs and indicators with identified resources in the budget. He noted that project management fees had become a major source of income for the organisation and were forecast to amount to 1,278,350 CFP units in FY 2008, compared to 900,000 CFP units in FY 2007. This anticipated increase was due to the higher level of non-core funding (to which the fee applied) and the higher fee percentage (7% for members and 15% for non-members) that had been applied to new projects from January 2007. He noted that the Secretariat was not seeking an increase in assessed contributions for Financial Year 2008. He said non-core funding for 2008 was likely to increase due to further funds becoming available, e.g. from New Zealand for tuna tagging, and from Global Fund round 2 (USD 38 million over 5 years). There will also be discussions with Australia and

New Zealand on moving some project funding to programme funding to ensure further security. (The full text of the presentation is in CRGA Paper 7.4, which is available from the Secretariat.)

120. The representative of American Samoa asked if the Secretariat normally presented only a one-year budget to CRGA.

121. The representative of Australia congratulated the Secretariat on its success in securing additional Global Fund funding, and asked if those funds attracted the 15% project management fee.

122. The representatives of Federated States of Micronesia and Marshall Islands congratulated SPC for operating on a balanced budget.

123. The Director-General stated that CRGA 38 would consider and approve the 2009 budget. He noted that the Global Fund sees itself as a leveraged fund, and that SPC therefore paid some of its administrative costs. He said that SPC acts as a conduit to PICTs for a significant portion of the Global Fund money, and that funds that are merely administered by SPC do not attract a 15% fee.

DECISION

124. Conference approved the proposed budget for financial year 2008.

AGENDA ITEM 11 – EVALUATION OF THE DIRECTOR-GENERAL

125. This session was held *in camera*.

126. The Chairperson indicated that Conference, meeting *in camera*, had taken note of CRGA's unanimous recommendation that the current Director-General be reappointed for a further two-year term. He said that Conference had every confidence in the Director-General's performance, ranking it as very good, and would reappoint him for a second term.

127. The Director-General expressed his sincere appreciation to Conference for their vote of confidence. He said his positive appraisal reflected the quality of the people who work for SPC, and he thanked SPC's Staff Representative Committee (Suva) and Staff Advisory Committee (Noumea), which he said had helped to improve SPC's systems. He noted the guidance given by Conference for the Secretariat's work over the next two years, and said he would provide an update to the 6th Conference. He expressed his thanks to the observers, development partners and CROP Heads who had attended. He thanked Samoa for hosting a wonderful 60th anniversary Conference and the staff who had helped in its organisation.

DECISION:

128. Conference noted and unanimously approved the recommendation by CRGA 37 that the Director-General, Dr Jimmie Rodgers, be reappointed for a further two-year term. In doing so, Conference stated that it had full confidence in the Director-General and commended him on his very good performance.

AGENDA ITEM 12 — YEAR 2009 CONFERENCE: VENUE, CHAIRPERSON AND VICE-CHAIRPERSON

DECISION:

129. Conference accepted an offer from Tonga to host the 6th Conference of the Pacific Community in 2009, and agreed that according to the rules of procedure, Tonga will provide the chairperson, and the vice-chairperson will be the representative of Fiji.

130. Conference also noted an expression of interest by Marshall Islands in hosting the 7th Conference of the Pacific Community in 2011.

AGENDA ITEM 13 — OTHER BUSINESS

131. None.

AGENDA ITEM 14 — ADOPTION OF REPORT

132. Conference adopted its decisions.

CLOSING

133. The representative of Tonga thanked the Conference for their confidence in accepting his country's offer to host the 6th Conference of the Pacific Community and looked forward to welcoming everyone in Tonga in 2009.

134. The representative of the Federated States of Micronesia spoke on behalf of other representatives to Conference in thanking the Chairperson for his guidance of the Conference and congratulated the Director-General on his reappointment. He also expressed his sincere appreciation to the Government of Samoa for its wonderful hospitality.

135. The Director-General conveyed his humble and sincere appreciation to the Conference for its vote of confidence in reappointing him as CEO of the organisation. He expressed his deep gratitude to the Government and people of Samoa for their hospitality and excellent meeting arrangements. He acknowledged in particular the dedication and hard work of the staff of the Ministry of Foreign Affairs, who had looked after the welfare of participants and overseen the detailed organisation required for such an event. He also thanked all SPC staff for their valuable contribution to the organisation. He congratulated the teams that put together the anniversary book and the promotional SPC DVD. He acknowledged the contributions of observers and development partners who contributed the valuable resources that enabled SPC to work more effectively. He thanked the CROP agencies, particularly those who had made co-presentations with SPC during the Conference. He thanked the Vice-Chair and the Drafting Committee for their work and praised the Chair for setting a record in facilitating this meeting and its decision-making process. He looked forward to reporting to CRGA 38 in 2008 and to Conference in 2009, pledging to repay the trust placed in him by members.

136. The Chair noted that it had been an honour for Samoa to host the 5th Conference of the Pacific Community, and an honour for him personally to chair it. He thanked the representatives for their participation, and especially acknowledged the presence of the Governor of American Samoa, the Premier of Niue, the Vice-President of the Federated States of Micronesia, and Ministers from member countries and territories. He expressed his thanks to the staff and Director-General of SPC, and to Tonga for offering to host the 6th Conference in 2009.

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Director-General

Dr Jimmie Rodgers

Deputy Director-General (Suva)

Mr Falaniko Aukuso

Deputy Director-General (Nouméa)

Mr Richard Mann

**REPORT OF THE THIRTY-SEVENTH MEETING OF THE
COMMITTEE OF REPRESENTATIVES OF GOVERNMENTS AND ADMINISTRATIONS**
(Apia, Samoa, 7–9 November 2007)

Chairperson	Mr Ermenegilde Simete Président de la Commission permanente de l'Assemblée Territoriale de Wallis et Futuna B.P. 223 MATA'UTU Wallis and Futuna
Vice-chairperson	M. Toetasi Tuiteleleapaga Governor's Chief Legal Counsel Office of the Governor PAGO PAGO American Samoa

AGENDA

- 1 Opening of the session**
- 2 Overview reports for 2007**
 - 2.1 Director-General's reports
 - Progress on implementation of decisions of CRGA 36
 - 2.2 Work programmes — divisional overview presentations
 - 2.2.1 Land Resources Division
 - 2.2.2 Marine Resources Division
 - 2.2.3 Social Resources Division
- 3 Focus on member priorities: policy matters and sectoral initiatives**
 - 3.1. Joint country strategies
 - 3.2 Digital strategy — SPC's role
 - SkyEdge VSAT Internet technology for rural and remote areas
 - Submarine telecommunications cable network
 - 3.3 Small island states shipping
 - 3.4 Technical and vocational education and training
 - 3.5 Public health — challenges and directions
 - 3.6 Pacific youth — outcome of the mapping exercise
 - 3.7 Agriculture and forestry — participatory and integrated approaches to development and management
 - Development of Sustainable Agriculture in the Pacific (DSAP)
 - Drawa Model Forestry project
 - 3.8 Decentralisation of SPC services, host country/territory agreement and responsibilities
 - 3.9 Office and staff accommodation — Noumea/Suva/Pohnpei and other locations
 - 3.10 Regional Institutional Framework initiative
- 4 Strategic engagement at national, regional and international levels**
 - 4.2 Key collaborative initiatives
 - 4.1 Tax situation for Fiji nationals working at SPC in Fiji
- 5 Strategic positioning of the organisation**
 - 5.1 Strategic Engagement Facility — a multi-sectoral team of advisers
- 6 Observers' statements**
- 7 Financial and management issues**
 - 7.1 Audit report for financial year 2006
 - 7.2 Financial year 2007 — budget revision
 - 7.3 CROP human resource and remuneration issues
 - 7.4 Financial year 2008 budget
- 8 Evaluation of Director-General's performance for 2006 and 2007 (closed session)**
- 9 CRGA 38 (Noumea) — meeting Chairperson and Vice Chairperson**
- 10 Other business**
- 11 Adoption of report**

**REPORT OF THE THIRTY-SEVENTH MEETING OF THE COMMITTEE OF THE
REPRESENTATIVES OF GOVERNMENT AND ADMINISTRATIONS**
(Apia, Samoa, 7–9 November 2007)

REPORT OF PROCEEDINGS

AGENDA ITEM 1 – OPENING OF THE SESSION

1. The Chairperson, the representative of Wallis and Futuna, opened the meeting and thanked the Government of Samoa for providing a warm welcome to all representatives, for its hospitality, and for hosting the meeting. He mentioned the importance of CRGA 37 for Wallis and Futuna, noting that it marked the first time that his country had had the honour of chairing the meeting. He said that CRGA would review many important issues that affect SPC and thanked members in advance for their support for the work of the meeting.
2. The representative of Papua New Guinea delivered the opening prayer.
3. The Chairperson said that according to the CRGA Rules of Procedure, American Samoa, Vice-Chairperson of the meeting, should chair the Drafting Committee. The representatives of Papua New Guinea, Fiji, Pitcairn Islands, France, the United States, Samoa, Wallis and Futuna, and Niue volunteered to serve on the drafting committee.
4. CRGA adopted its agenda, as attached to this report, and its hours of work.

AGENDA ITEM 2 – OVERVIEW REPORTS FOR 2007

AGENDA ITEM 2.1 – DIRECTOR-GENERAL'S REPORT

5. The Director-General, Dr Jimmie Rodgers, thanked the Government of Samoa for hosting CRGA 37 and the upcoming Fifth Conference of the Pacific Community, and for handling all the logistics relating to the meetings. He noted that 2007 marked the 60th anniversary of SPC's work in the region. The organisation had commemorated its 60th anniversary in all the locations where SPC has a presence in the Pacific. He said that a number of countries had also marked the anniversary; for example, New Caledonia issued a commemorative stamp. He said that during the first day of the Fifth Conference of the Pacific Community, SPC would launch a commemorative publication – *Meeting House of the Pacific* – which tells SPC's story from the perspective of the organisation. He also noted the preparation of a DVD on SPC's work. He spoke briefly about the upcoming Conference, noting the important issues that would be discussed, and stressing that the papers and presentations were all joint efforts by SPC and other CROP organisations. He said that while SPC was not necessarily the lead agency for all the issues under discussion, it was important to inform Pacific Community members of the urgency of the issues, and to build broad support for addressing them in a manner that extended beyond specific sectoral interests.
6. He said 2007 had been a busy and productive year for SPC. He observed that SPC services are packaged into three pillars, and briefly described advances that had been made in each area, including preparation of five joint country strategies, significant accomplishments in achieving the objectives of the Pacific Digital Strategy, and progress in implementing past CRGA decisions. He highlighted new high-level consultations with other CROP organisations, including PIFS and FFA, and planned consultations with SPREP and SOPAC. He discussed achievements that had been made in developing SPC's Strategic Engagement Facility, which constituted an expansion of SPC's Planning Unit and was being made possible through initial support from Australia, which would fund a position in Fiji and two in Noumea. At the corporate level, he said there was a need for a management presence in Pohnpei, and the position would probably be filled in the next few weeks.

7. The Director-General noted that the annexes to his written presentation provided reviews of progress in implementing key decisions from CRGA 36 and the recommendations of the SPC corporate review undertaken in 2005, and in a number of key focus areas. He also spoke of progress in bridging the communications divide in the Pacific, including a new submarine cable for countries south of the equator, an initiative that SPC and PIFS had helped facilitate. He noted that France had announced its support for the initiative at the Forum Leaders meeting in Tonga, and expressed the hope that other SPC members would also engage with this.

8. He spoke briefly on SPC's work programmes, describing the overall staffing and budget levels for the organisation and the divisions. He noted that SPC now has dedicated human resource positions in both Noumea and Suva, and is working to improve HR-related policies. He also referred to the challenges facing SPC in recruiting qualified staff, which has led in some instances to funds not being used, as SPC has been unable to attract the calibre of staff it needs. He stated that all CROP agencies were facing similar problems. He said the CROP salary scale was no longer attractive for international recruitment. He indicated that a recommendation had been made by CROP and was being put forward to CRGA. This recommendation would increase the wages of some internationally recruited staff to a level equal to 80% of the average for the three reference markets now in use by CROP. He indicated that relations with staff were very good, and said that SPC had successfully addressed a number of long-standing HR issues.

9. The Director-General noted that SPC's 2007 budget exceeded 45 million CFP units, with substantial increases in the non-core budget. He highlighted the very significant contributions made by SPC's four metropolitan members, as well as six non-member development partners, which collectively provide 85% of SPC's funding. In contrast, SPC's 22 PICT members contribute approximately 2.2% of the budget. He stated that SPC's auditors had again raised the issue of arrears, noting that they were considering qualifying SPC's future audit results if the arrears were not successfully resolved. He urged members with arrears to either pay them or develop a payment schedule with the Secretariat to settle them.

10. He closed by thanking SPC's members and development partners for enabling the organisation to achieve significant progress in a number of areas, including in leading implementation of the Pacific Plan Digital Strategy. He emphasised the importance of extending internet connectivity to rural and remote areas, which would improve monitoring, communication, and other activities. He stated that although the Pacific region has a widely scattered population, it could serve as a best practice model for the world. He noted the need to move beyond incremental approaches, urging members to instead ask where the region needs to be in 10 years time, and to move to make that vision a reality.

11. The representative of Australia commended the Director-General and the organisation for the significant progress they had made in implementing the recommendations of the 2005 Corporate Review and the key decisions made at CRGA 36. He also confirmed that Australia is providing support this year for three new strategic planning positions.

12. The representative of Papua New Guinea commended the Director-General for his overview, and noted his country's view that SPC had made a real difference to Papua New Guinea and to the lives of people. He noted that SPC was very effective in providing services that made a difference to the people of the region.

13. The representative of Kiribati thanked the Director-General for his very comprehensive report. She remarked that it was a very broad overview but nevertheless illustrated SPC's accomplishments. She noted that Kiribati was very encouraged by the increased focus on member priorities, and welcomed this in light of the increased challenges faced by members, especially small island states such as Kiribati. She observed that such assistance would help her country implement important initiatives within the Pacific Plan. She also expressed Kiribati's thanks for the generous support provided by SPC's donors, which she said translated into real benefits to members such as Kiribati, and made real differences in people's lives. She thanked CROP members and other development partners. She noted the challenges that SPC faces in recruiting qualified staff to important positions, and the need for Kiribati and other members to honour their financial obligations to SPC. She closed by congratulating SPC on its 60th anniversary, saying that in those 60 years the organisation had made a big difference to the region and to the lives of Pacific people.

14. The representative of Samoa thanked the Director-General for his report, and for stressing the development of joint country strategies and country profiles. He suggested it would be helpful to have copies of the strategies distributed to the meeting. He also spoke of the importance for various bodies – such as the Pacific Plan Monitoring Committee – of having a comprehensive picture of what various CROP agencies are doing in various PICTs. He recommended that SPC work with other CROP agencies to develop a better picture of the regional assistance being delivered at the country level. He also noted with interest the difficulty that SPC and other CROP agencies face in recruiting internationally, and asked how SPC's efforts to recruit and train qualified Pacific Island staff were progressing.

15. The representative of Pitcairn Islands thanked the Director-General for the assistance provided to Pitcairn by SPC.

16. The representative of Tonga expressed his thanks to the Director-General for his comprehensive report, noting that SPC's efforts had made a real difference to Tonga, especially through its work in the fisheries and agricultural sectors. He also expressed Tonga's thanks to SPC's donors, and congratulated SPC on its 60th anniversary.

17. The representative of France thanked the Director-General for his comprehensive report. He noted that France was very pleased to learn of the expected contributions from FFA, SPREP and the Forum to the CPC. As the RIF reform process commenced, these contributions showed that the SPC was cooperating with other agencies that remained independent. He saluted the formation of a multi-disciplinary team of advisers and hoped that the results of their work could be extensively communicated to and debated by the members in due course. He also noted that France was pleased to be assisting with implementation of the Digital Strategy; in this regard he recalled that M. Estrosi, the Secretary of State for Overseas Affairs, had announced at the Forum meeting in October 2007 that France was prepared to contribute to funding for the submarine cable but could not do so alone and was looking forward to working with other partners in carrying out this project.

18. The Director-General noted the comments made by the representative of Samoa, stating that a number of CROP organisations had discussed developing joint CROP country strategies. He indicated that SPC, FFA and PIFS are planning a joint country strategy for Solomon Islands in 2008, and are hoping to develop additional joint CROP country strategies in 2008. He said that the process of developing joint strategies with multiple agencies was difficult; for example, the Tokelau strategy involved 10 agencies. He commented that of SPC's 178 internationally recruited staff, 80 (45%) were Pacific Islanders; 10 years ago the proportion was 30%. He stated that there were areas where SPC would have expected significant expertise to be available in the region, but that applicants were not coming forward. He observed that many PICTs lack a provision that enables individuals to retain their standing in the civil service if they take a position with a regional organisation, which could affect recruitment of Pacific Islanders by SPC. He suggested PICTs may wish to address this problem. He thanked France for its clarification, noting that the cost of the submarine cable was some 200 million euros, and that many countries were assessing their contributions. He concluded by thanking SPC's staff, including the members of the executive, who were responsible for the organisation's successes.

DECISION

19. CRGA 37 acknowledged and recognised the Secretariat's valuable achievements, as outlined by the Director-General in his report. The committee adopted the Director-General's report, and agreed to recommend the report to the Fifth Conference of the Pacific Community.

AGENDA ITEM 2.2.1 – LAND RESOURCES DIVISION

20. The Director of the Land Resources Division (LRD), Aleki Sisifa, presented the overview of the Division's work in 2007. He first presented the Division's objectives, noting that making a difference in the lives of Pacific Islanders is at the core of its work. LRD engages at national, regional and international levels. The Division is committed to integration and to the use of participatory approaches, and reaches out to communities, resource owners and farmers. During 2007, LRD focused on effective and efficient work-planning and implementation, on seeking inputs to the Division's next strategic plan, and on finding new resources. The LRD Director then mentioned some of the year's outcomes in the areas of sustainable management of agriculture and forestry systems, particularly in the development and promotion of sustainable forestry and agriculture policies and plans, and management and production practices; the conservation, development and promotion of biodiversity and genetic resources; the setting up of natural disaster response and support structures; and the strengthening of national and regional capacity to manage invasive species, pests and diseases. In relation to the latter output, he mentioned LRD's first intervention in Pitcairn Islands, which covered providing further training to the Biosecurity Officer on container inspection, trap installation, and early detection of incursions of exotic fruit fly species. A fruit fly bait spray trial on four orchards had yielded encouraging results. LRD also emphasised improved biosecurity and trade facilitation. Its efforts in this area included strengthening national capacity to comply with international and regional standards related to trade, undertaking economic and financial analyses of opportunities for increased trade, developing and promoting sustainable and efficient post-harvest technologies, and providing improved information on plant and animal health status. He cited a number of new initiatives, including positioning PICTs to maximise benefits from the International Treaty on Plant Genetic Resources for Food and Agriculture (ITPGRFA) and Global Crop Diversity Trust (GCDT), and mentioned decisions made by the recent Forum Leaders meeting relating to agriculture within the Pacific Plan. He provided an update on the development of Centres of Excellence for Atoll Agriculture, the Phytosanitary Capacity Evaluation Tool, and new activities on climate change and food security. The full text of this presentation is available from the Secretariat as Paper 2.2.1.

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

22. The representative of Papua New Guinea (PNG) commended LRD on its far-reaching programmes. PNG had benefited from these programmes, particularly in relation to biosecurity and in areas where malpractice has affected sustainable agricultural development. He commended LRD's work with the International Tropical Timber Organization (ITTO) and other intergovernmental organisations. He said there had been informal discussions with the Director-General on setting up a joint SPC/PIFS office in PNG. A formal response will be made by February 2008. He said researchers in PNG had benefited from collaboration with LRD.

23. The representative of Niue said SPC showed leadership in delivering these important agricultural programmes and thanked donor partners and agencies for their support of SPC.

24. The representative of Pitcairn Islands commented on the first visit by an SPC staff member to his country. He said the staff member had provided valuable help in the areas of biosecurity, fruit fly control, trade with Gambia Island and the honey industry, and noted that Pitcairn Islands had access to the Biosecurity Helpdesk in Suva. He thanked LRD for its support and looked forward to further visits.

25. The representative of New Zealand commented on the value of SPC's biosecurity work in relation to regional trade facilitation. She asked what interest SPC had in trends around agricultural and rural development and suggested the possibility of a regional meeting to assess gaps in this area.

26. The representative of Fiji thanked Samoa for its hospitality and the SPC staff and donors who make SPC's work possible. She said Fiji considers that SPC is an effective organisation that deals with real problems and that LRD programmes had benefited Fiji. She particularly commended the work of the Centre for Pacific Crops and Trees (CePaCT) and said she had tried to raise her government's awareness of the importance of its work. She also thanked FAO for providing funds for SPC's work in developing food security.

27. The representative of the United States acknowledged the work of the Chair and thanked Samoa for its hospitality. He also thanked SPC staff for their work and commended SPC's efforts to mitigate the effects of climate change. The US is happy to be making a financial contribution to improve food security in the region through the collection and storage of crops resistant to the effects of climate change, such as sea level rise salinisation. He noted that the US Department of State will be seconding a staff person to the SPC for four months, starting in November. He also commended SPC's role in representing the region at international forums such as ITTO and the United Nations Forum on Forests (UNFF).

28. The representative of Kiribati said her country welcomed the work of LRD in regard to breadfruit and banana, especially research to extend the harvest season for breadfruit, which was important for food security on atolls. She also acknowledged the value of involving people at community level, which was important when introducing new technologies and new species. She said FAO was doing lot of work in agriculture in Kiribati and encouraged cooperation between FAO and SPC. She hoped LRD would undertake further work on atoll agriculture.

29. The representative of Australia commended LRD's excellent work in maintaining crop genetic resources and its work at the community level. In relation to the new initiative on agriculture and forestry, he said Forum Leaders had asked SPC to develop this new initiative to help deliver on the objectives of the Pacific Plan. This initiative had the potential to support links between PICTs and the emerging global carbon emissions trading market, especially if a harmonised approach was taken. He hoped SPC and PIFS could get donor funding for the initiative and could raise the profile of this important area. He said that the Australian Global Initiative on Forests and Climate (GIFC) team was available to assist the region.

30. The representative of Tonga noted the wide range of activities by LRD, especially in biosecurity. He said Tonga would like a greater focus on fruit fly control, particularly heat treatment, and asked if it was possible to revive the project on heat treatment of produce.

31. The representative of Tuvalu congratulated the Chair, and thanked the Government of Samoa for hosting the meeting. She expressed appreciation for SPC's work in Tuvalu, saying that Tuvalu needed a lot of assistance, particularly for control of coconut scale and mealy bug. Two islands were affected and Tuvalu was anxious to prevent further spread of these pests. She asked if SPC could help with biocontrol methods for these pests. Tuvalu also required training for agriculture staff, especially in the areas of quarantine and pest control.

32. The Director of LRD responded to issues and questions raised by members:

- He acknowledged the immense contribution by Papua New Guinea to agricultural efforts and collaboration with LRD, particularly in the area of plant genetic resources, and noted that Papua New Guinea currently chairs the Pacific Plant Protection Organisation (PPPO).
- He stressed that LRD particularly appreciated the first SPC visit to Pitcairn Islands and noted the request that SPC programmes make similar visits at least once a year in future.
- He acknowledged that rural development has had its ups and downs and that an attempt to analyse reasons for this situation, as suggested by New Zealand, could prove valuable. He added that LRD's resource economist has done some work on this issue based on an analysis of available data.
- He expressed appreciation to Fiji Islands for ongoing collaboration with LRD, noting that much of LRD's work was first developed and tested in Fiji before being extended to other countries, particularly in the area of biosecurity and trade.
- He noted that United States assistance to food security and invasive species programmes was particularly appreciated and added that, in addition to direct US assistance to LRD, the Division was also benefiting from US collaboration and assistance in the Northern Pacific on invasive species.

- He welcomed the proposed assistance of an expert forest and climate team from Australia, noting however that a creative financing plan needed to be developed.
- He noted the requests for assistance from Kiribati in relation to banana and breadfruit and agreed to introduce additional breadfruit varieties from Hawaii to ensure a regular supply of fruit throughout the year.
- On the question of the Centres of Excellence, he stressed the need to look at a financing scheme to implement the project.
- With respect to the issue of fruit fly control, he noted the request by Tonga to revive training on heat treatment to facilitate fruit export and trade, and explained that projects sometimes suffer from growing pains in the early phases of implementation.
- He agreed that Tuvalu had no forests, but stressed the importance of identifying suitable and important agroforestry species for atoll countries.
- He noted the request by Tuvalu for assistance in providing parasites to combat coconut scale and mealy bug, stressing that Tuvalu already possessed the necessary technical knowledge.
- He agreed to provide assistance to Tuvalu on further capacity building.

33. The Director-General noted the value of a regional consultation by all partners involved in the agriculture sector, but suggested that conducting a comprehensive mapping exercise of the sector prior to the regional consultation would enhance the process. The results of mapping would facilitate the development of a more integrated framework involving all partners working in this sector. He regretted that, in the past, agriculture and forestry had not attracted sufficient attention from development partners, but was happy that this situation was changing. He noted that 85% of human diseases are zoonotic in origin, and stressed the need to urgently increase the number of qualified veterinarians in PICTs. In this respect, he noted the excellent work done by the Paravet Training Programme. He stated that SPC needed to reach out to other partners doing excellent work in this area, citing as an example the work done by APEC on avian influenza.

34. The LRD Director clarified that the proposed new agriculture and forestry initiative would first be presented to Ministers of Agriculture and then to CRGA for consideration and adoption. He indicated that it was too early at this stage to say whether it would be funded from within the existing budget or would require additional resources.

35. With respect to the development of the agriculture and forestry initiative, plans of action and budgeting processes, the Director-General took note of Fiji's concerns that this could add another layer of bureaucracy or lead to duplication between the Forum and SPC. He explained that all countries already have national sustainable development plans or strategies and that these will be used as the entry points. The request for development of the initiative had come from the Pacific Plan Action Committee (PPAC), and the process would be implemented by SPC as this fell under SPC's mandate. There would therefore be no duplication of effort between the Forum and SPC.

36. The representative of Samoa and the representative of Papua New Guinea, as head of PPAC, further clarified the reporting mechanism and confirmed that there would be no conflict in the reporting process to PPAC, and no duplication, as the process would be implemented by SPC. They stressed that this was put to PPAC for consideration because of the Pacific Plan linkage and that the reporting would be to PPAC and not to the Forum. The representative of Samoa added that another point raised by PPAC, but not mentioned in the SPC paper, was the funding implication.

37. The representative of Fiji stressed that SPC and the Forum were two separate organisations and questioned the proposed reporting mechanism, stressing that the Conference was the supreme decision-making body of SPC. She placed on record her concern that SPC's proposed reporting to PPAC seemed to pre-empt the RIF merger recommendations.

DECISIONS

38. CRGA noted and commended the work of LRD during 2007, and agreed to recommend to the Fifth Conference of the Pacific Community that:

- i. SPC work towards concluding agreements with the:
 - a) Governing Body of the International Treaty on Plant Genetic Resources for Food and Agriculture, whereby the Centre for Pacific Crops and Trees (CePaCT) places its Annex 1 collection within the purview of the Treaty;
 - b) Global Crop Diversity Trust to source funds for conservation of samples of Annex 1 crops held in the CePaCT collection; and
 - c) relevant regional and international organisations with a view to establishing a centre within CePaCT for exchange of crop and forestry genetic resources;
- ii. SPC, in recognition of the request by Forum Leaders:
 - a) develop a new agriculture and forestry initiative, including atoll agriculture, under the Pacific Plan's sustainable development pillar, and keep CRGA informed of the financial implications, if any, of the new initiative; and
 - b) jointly with the Pacific Islands Forum Secretariat and in collaboration with national governments, develop agriculture and forestry policies, plans of action and budgeting processes based on National Sustainable Development Strategies.

Presentation of SPC gender award

39. The Human Development Programme Manager explained that the SPC gender award had been created to recognise the critical importance of addressing gender issues and concerns in development, both in the corporate management of regional organisations such as SPC and in the delivery of technical assistance and programmes. This was in line with the CROP Gender Policy and demonstrated SPC's commitment to fulfilling its requirements.

40. The award would be presented every two years. The sculpture, designed by a New Caledonian artist, symbolised the interrelated elements of the family. The 2007 award, the first one of its kind, was given to LRD's DSAP (Development of Sustainable Agriculture in the Pacific) programme for its significant and positive efforts to integrate women as well as youth in its activities during the year.

41. The 2007 SPC Gender Award was presented by the Chairperson of CRGA to the LRD Director, on behalf of SPC's Human Development Programme, for LRD's gender-inclusive approach in its DSAP Programme.

AGENDA ITEM 2.2.2 – MARINE RESOURCES DIVISION

42. Tim Adams, Director of the Marine Resources Division (MRD), emphasised the important role played by CRGA in directing the work of MRD, which he said relied on the provision of accurate information and advice by the Division. He noted that the marine sector (including fisheries and transport) was being managed relatively well, and was in some respects in better condition than in some developed regions of the world, due to lower inertia and the ability to build on the experiences of others. He noted that some important decisions needed to be made in the region, including on the need to reduce fishing pressure, especially on bigeye tuna. He observed that increasing trade and population growth are threatening the resilience of coastal

resources. While coastal resource management has long depended on traditional practices, increasing resource pressure is necessitating more active management that is incorporated into the fabric of Pacific Island societies and is both socially and environmentally sustainable. He observed that shipping is the lifeblood of the Pacific Islands, and that the Pacific Islands need to have processes in place that enable them to meet evolving international maritime requirements on an ongoing basis. He observed that MRD itself was in good health despite ongoing concerns about the sustainability of funding, and that new initiatives were being proposed in the areas of aquatic biosecurity, tuna tagging and providing support to scientific research on coastal fisheries. He asked for members' support for these initiatives.

➤ **Regional Maritime Programme Progress Report**

43. John Hogan, Manager of the Regional Maritime Programme (RMP), addressed three main issues: building the capacity of PICTs to meet international security and safety in the shipping and port sectors, assisting PICTs to maintain compliance and accreditation with international obligations, and developing regulatory requirements for maritime safety and security regimes. He noted that RMP is making increased use of regional expertise, particularly through the region's expanding network of regional professional maritime peer networks. He noted the importance for PICTs of meeting International Maritime Organization (IMO) standards that apply to ports and seafarers, and stressed the importance of utilising regional assistance and pooling resources in meeting international requirements and avoiding handicaps to trade. SPC convened a maritime transport ministerial meeting in April 2007 – for the first time in over 10 years – and a number of issues from the meeting were subsequently raised at the 2007 Forum Leaders meeting, which issued a communiqué touching on a number of important issues. He noted that RMP had received international attention and recognition for the SPC/ Pacific Islands Maritime Association (PacMA) port security audits, which had developed a high-standard check system that was acclaimed by partner organisations and used as a best-practice example by IMO, and had led to requests for assistance from outside the region. He also touched on the concept of business excellence, and indicated that a future system of regional awards would be linked to recognition of business excellence.

44. The representative of the United States thanked the RMP Manager, and indicated that the US is seeking to coordinate with countries and institutions in the region to improve maritime cooperation in support of combating illegal fishing and smuggling of people and narcotics. He noted that improved coordination would help the region better understand the threats it faces. The US has concluded a shiprider agreement with Palau that allows the US Coast Guard (USCG) to embark Palauan officials on USCG vessels, thus giving the USCG authority to enforce Palauan maritime laws. Other shiprider agreements are currently being negotiated with the Cook Islands, RMI, FSM and Kiribati. The US would welcome similar agreements with other countries. He noted that the US also proposed the creation of a communications network that would streamline mechanisms and improve coordination. He stressed that these efforts were still under development and that the US wants to ensure that its efforts are complementary to ongoing regional efforts, and welcomed feedback from other members.

45. The representative of Kiribati thanked the RMP Manager for his overview, noting that seafarers are very important to Kiribati's economic development, and that RMP had been crucial in enabling the country to ensure that its seafarers could secure employment with overseas shippers and the maritime sector. She encouraged continuing donor support to RMP, and acknowledged the offer of assistance made by the United States. She emphasised that Kiribati faces many problems with respect to illegal activities, and would welcome discussions with SPC and PIFS regarding how to improve means of detecting illegal fishing in their EEZ.

46. The Director of Marine Resources noted that FFA was very involved in monitoring of illegal fishing in the region, and that this would be a topic of discussion at the upcoming Fifth Conference of the Pacific Community.

➤ Coastal Fisheries Programme Progress Report

47. Lindsay Chapman, Manager of the Coastal Fisheries Programme (CFP), presented a brief overview of the structure of CFP, its work highlights, and some upcoming issues. He indicated that CFP had moved away from working as individual sections, with work now focused on three areas: reef fisheries, aquaculture, and inshore pelagic fisheries. The PROCFish/CoFish project that is working in 17 countries was recently extended by two years, and SPC received very positive comments about the project during the recent 5th project advisory meeting. The project is now in the reporting phase. He noted that CFP did face a significant problem in that its scientific capacity was currently directly dependent on the project, with 10 positions slated to be lost in 2008 if other funding sources are not found. He indicated that SPC had initiated the Coastal Fisheries Scientific Support Initiative, which seeks to maintain scientific support to members in coastal fisheries. He also noted ongoing work related to aquaculture and nearshore pelagic fisheries, including a project in Nauru focused on food security that involves canoe building and a new design of shallow-water fish aggregating devices (FADs).

48. He reviewed the outcomes of a regional workshop on the Ecosystems Approach to Fisheries (EAF), which marked the first occasion on which SPC had hosted coastal ecosystem and fisheries experts at one meeting. He noted that SPC and the Nature Conservancy would be following up on the workshop results by reviewing the current status of EAF in PICTs and developing a draft strategy for EAF implementation. Findings of the review and a draft strategy will be presented to a special Heads of Fisheries meeting in February 2008.

49. He also provided a brief overview of aquatic biosecurity concerns, and of the results of a workshop held by SPC addressing aquatic biosecurity in the region. He noted that SPC was seeking CRGA support for its initiative to establish regional capacity and improve national capacity relating to bio-security, which it hoped to implement by 2010. He noted that such an expression of support from CRGA was also being sought in relation to CFP's work on EAF, which it also hopes to implement by 2010.

50. The representative of Samoa thanked the CFP Manager and stressed the importance of CROP organisations standardising their approach to both biosecurity and EAF. He urged SPC to work closely with other CROP agencies to promote a cost-effective regional framework promoting EAF and biosecurity.

51. The representative of Australia thanked the CFP Manager, noting that Forum Leaders had made specific mention of the need for scientific support for fisheries management efforts. She observed that although there was an increasing need for this type of support to the region, SPC's scientific capacity related to coastal marine resources would decrease drastically next year. She stated that Australia had been discussing with SPC how support to the region in this area could be maintained. She acknowledged the importance of bringing together a broad group to address the issues related to biosecurity, and said that Australia had a continuing interest in cooperating on this issue, especially with respect to aquaculture-related introductions and disease control.

52. The representative of Tokelau noted that SPC and Tokelau had coordinated a joint effort in which regional agencies came together to initiate a joint work programme. He commended SPC for its efforts, and registered Tokelau's appreciation.

53. The representative of the United States inquired as to what consideration had been given to reducing potential harmful impacts from bycatch and catch of juvenile fish when considering the use of FADs.

54. The CFP Manager noted that the Nauru project used small, shallow-water, moored FADs. Fishing around them is very selective, meaning there is no bycatch; this also means that the high catch levels of juvenile tuna by purse-seiners that present a problem with FADs in other parts of the Pacific are not an issue in Nauru.

➤ Oceanic Fisheries Programme Progress Report

55. John Hampton, Oceanic Fisheries Programme (OFP) Manager, began by sharing the most recent available information from OFP on the status of regional tuna fisheries and stocks. Skipjack (caught mainly by purse seine) dominates the catch, followed by yellowfin (caught by purse seine and longline). Bigeye tuna is caught mainly by longliners in the equatorial zone, while albacore is caught by longliners mainly south of the equator. Catches by vessels flagged or chartered by SPC island members have made up an increasing percentage of the total catch, and have amounted to about 20% of the total over the last three years. Over the past 10 years, the proportion of the total catch occurring in the EEZs of SPC island members has steadily increased from around 40% to 50% in 2006. This illustrates both the importance of these resources to the region and the responsibility and influence that PICTs have in implementing management measures to conserve the resources and manage the fisheries responsibly.

56. He noted that skipjack resources continue to be in good health, as do albacore, primarily because the latter are taken by longline, ensuring most fish that are caught have had the opportunity to spawn and reproduce. Levels of fishing mortality of bigeye and yellowfin stocks are at or beyond safe levels, due largely to relatively high levels of juvenile catches. He observed that key management needs include meaningful restraint of catches of small bigeye and yellowfin in Indonesia and the Philippines, reduction in catches of small yellowfin and bigeye by purse seiners, and control of longline fishing effort targeting bigeye tuna; in the interests of equity, this would require a means of sharing the benefits of higher longline catch rates that could result from reductions in the catch of small fish. At the upcoming annual WCPFC session in December 2007, FFA members will propose that existing longline catch limits for bigeye be reduced by 25%, in keeping with the scientific advice provided by SPC, but this is likely to be resisted by distant-water fishing nations. In addition, a three-month prohibition on purse-seine FAD sets in 2008 and 2009 may be proposed, in order to reduce the purse-seine catch of juvenile bigeye and yellowfin tuna.

57. The OFP Manager noted that OFP provides scientific information and advice for fisheries management at both national and regional levels, and emphasises national capacity building, recognising that effective fisheries management requires the capacity to collect and manage data, understand and use stock assessments, and participate in scientific and management decision-making processes.

58. He presented an overview of the development and implementation of a data management package (TUFMAN), and of annual stock assessment workshops for fisheries officers that seek to enhance understanding and use of regional stock assessments. He also noted that OFP was continuing efforts to develop national capacity in observer and port sampling programmes, and was preparing National Tuna Fisheries Status Reports, which provide a focal point for OFP scientific advice to members on the status of their fisheries and stocks at the national level. He closed by highlighting the OFP collaboration with the PNG National Fisheries Authority on tuna tagging, which has been extended to cover additional species over a larger area, through funding commitments from PNG, Taiwan/ROC and the Government of New Zealand.

59. The representative of New Zealand asked for clarification regarding the incorporation of national member priorities into OFP's planning.

60. The OFP Manager noted that most of OFP's work programme activities are funded by project funding, which is difficult to adjust in mid-project. OFP has some limited ability to re-direct programme-funded resources, but this funds mostly core-funded staff and is hard to use for research. He noted that OFP would be happy to assist members in this way, but it would have to be in context of funding that specifically makes this possible.

61. The representative of Tokelau inquired if OFP had data on illegal, unregulated and unreported (IUU) fishing, and if it would it be possible to estimate its value.

62. The OFP Manager noted that by definition IUU fishing is hard to quantify. The general feeling has been that IUU fishing has been below 10% of all activity, but this is hard to estimate precisely. The region is now coming under new pressures and risks, given the generally poor state of global tuna fisheries. This has resulted in an increased number of vessels seeking access to the region, which is granted only if they are from countries that are members of WCPFC. Regulation of IUU fishing is part of FFA's mandate, but SPC assists where it can.

63. The representative of Papua New Guinea noted that his government was very grateful for the tuna tagging exercise, which provided valuable information and assisted the National Fisheries Authority.

64. The representative of Samoa inquired if future tuna tagging efforts would be extended to other areas, and would include other species in addition to skipjack.

65. The OFP Manager confirmed that phase II of the tagging work would look at skipjack, yellowfin and bigeye tuna, throughout the central and western equatorial Pacific. Albacore would be tagged and released using a chartered vessel in summer 2008–2009 under the new EC-funded SCIFish project.

66. The representative of New Zealand noted that all three fisheries programmes in MRD were dependent on project-related assistance, which raises worrying questions regarding the sustainability of these efforts. She noted that it would be ideal if development partners would commit to programme funding in the future, and asked for ideas on how this might be advanced.

67. The representative of Australia recognised the efforts undertaken by MRD to address gaps identified in the past, and noted some issues that were still of concern to Australia, including the need to have internal legal expertise in MRD and to ensure past investments in women in fisheries are maintained. She acknowledged SPC's efforts to cooperate more closely with FFA, and said she looked forward to the outcomes of the joint FFA/SPC workshop that would follow CRGA 37 and the 2007 Conference. She observed that Australia is a member of both FFA and SPC, and values the heightened cooperation. She also suggested that forward planning would be needed to meet the request for better reporting on marine issues, as recently requested by the Forum, and said that Australia looked forward to continuing engagement with SPC as it moves forward to adopting an ecosystem approach to fisheries.

68. The Director of MRD stated that although the proportion of core funding in fisheries and maritime programmes had increased, SPC would like greater funding stability. Ten years ago OFP itself was entirely project funded, with no core funding. OFP has maintained its work programme thanks in part to reliance on many funding sources, from small to large.

69. The Director-General thanked the representative of New Zealand for raising the issue of sustained support to address the region's important priorities, which affects both MRD and LRD, as well as many national programmes. He noted that discussions during Conference would address the need to focus on important priorities that are approached haphazardly with respect to financing, with a view to taking a long-term approach to mobilisation of resources. He noted that SPC would seek over the next year to increase core and programme funding in LRD and MRD; he agreed with the representative of New Zealand that a move towards programme funding by development partners would help, but stated that such a decision rested with them. He said SPC would seek to identify gaps at national levels, and see how the organisation could best fill them.

DECISIONS

70. CRGA:

- i. commended and noted the work of the Marine Resources Division during the course of 2007 and the work programme broadly proposed for the remainder of the duration of the Division's three Strategic Programme Plans; and

- ii. commended and noted several proposed new marine sector initiatives, aimed at attracting multi-donor support and intended to address emerging or existing gaps in the Divisional work-programme, as follows:
 - a) Regional Tuna Tagging Programme Phase II;
 - b) Aquatic Biosecurity Initiative; and
 - c) Coastal Fisheries Scientific Support Initiative;
- iii. agreed to recommend to the Fifth Conference of the Pacific Community that it endorse the Marine Resource Division's proposed work programme and new initiatives.

AGENDA ITEM 2.2.3 – SOCIAL RESOURCES DIVISION

➤ Social Resources Division (SRD) Overview

71. Mr Richard Mann, Deputy-Director General, Noumea, presented an overview of the work of SRD in 2007. He said that the structure of SRD had been rationalised. It now consisted of three programmes and one centre, compared to nine units in 2003, which had resulted in improved collaboration, ease of multi-sectoral approaches and gains in administrative efficiency. The merger of the Community Education Training Centre, Cultural Affairs Programme, Pacific Youth Bureau and Pacific Women's Bureau into the new Human Development Programme (HDP) had been the subject of discussion at a programme planning meeting in January and the Triennial Conference of Pacific Women in May 2007. A consensus was reached that the merger provided an exciting opportunity to approach human and social development issues in a more holistic manner. The Secretariat has committed to review the programme in 2009. The external review of the Public Health Programme in 2006, which was presented to CRGA last year, recommended that the programme be made a stand-alone division. The Secretariat has accepted in principle the rationale for this recommendation, given the significance of health to development in the Pacific and the growth of the programme. The option may be implemented if the programme continues to expand significantly and if the benefits of establishing a separate division seem to outweigh those associated with the current arrangements (e.g. ease of cross-programme collaboration within a division). The Secretariat hopes to fill the position of Director, Social Resources, in early 2008. The incumbent will take over direct management responsibility for the division from the Deputy Director-General. This move will bring the divisional structure in line with those of the other two divisions. The Deputy Director-General said that, largely due to the expansion of the Public Health Programme, total SRD staff numbers had increased considerably over the last four years, to a total of 177. SRD now had a significant presence at headquarters in New Caledonia and at the regional offices in Fiji Islands and Pohnpei, as well as in six other PICTs. In 2008, it will have at least two staff (public health and human development) at the Pohnpei Regional Office in FSM. The total divisional budget is expected to reach at least CFP units 18,563,900 in financial year (FY) 2008, representing an increase of approximately 79 per cent over its 2004 budget. Most of the increase has come through projects in the Public Health Programme but core funding had also increased significantly. He said that the HDP and the Statistics and Demography Programme had reached an appropriate amount of long-term funding (core and programme funding) to maintain a critical minimum number of staff and expertise, while projects provided additional resources to address specific regional needs (e.g. research on gender-based violence or support for regional censuses). Ninety per cent of the Public Health Programme's funding came from projects, some of which placed heavy demands on the programme's support services. The programme is responding by strengthening internal systems and establishing a central programme management section to provide certain common services to all sections and projects. The Regional Media Centre operates largely on a contract basis for jobs that its core budget cannot or should not cover and therefore does not face the same financial challenges as the three other programmes in SRD. The full text of this presentation is in CRGA 37 Paper 2.2.3, which is available from the Secretariat. The annexes provide more detailed information on individual programmes and also include a number of policy statements and strategic plans for HDP and the Regional Media Centre for consideration by CRGA.

72. The Chair thanked Mr Mann for his overview of the work of SRD and invited Ms Linda Petersen, Manager, HDP Programme, to present the activities of the programme in 2007.

➤ **Human Development Programme (HDP) – 2007 Progress Report**

73. Ms Petersen said the year had been a transition year for HDP, with emphasis placed on preparing its strategic programme plan for consideration by CRGA 37, recruiting staff, and consolidating work in the areas of culture, gender, youth and community education and training. The HDP strategic planning meeting in January 2007 and the outcomes of the 10th Triennial Conference of Pacific Women provided guidance in the preparation of the strategic plan (2008–2012). A number of key partnerships were consolidated in 2007, including with the Pacific Islands Forum Secretariat, Commonwealth Youth Programme and Pacific Islands Museum Association. An important priority for HDP will be direct support to national agencies to help them further improve the delivery of social services. HDP advisers for youth and culture had been appointed. The HDP Adviser (Gender) position was still under recruitment and an adviser would be placed in the Pohnpei Regional Office in 2008. The Community Education Training Centre (CETC) programme was streamlined to ensure it addressed PICT community development training priorities, and to prepare it for formal accreditation. HDP provided support for the 5th Executive Board Meeting of the Council for Pacific Arts in August, which reviewed preparations for the 10th Festival of Pacific Arts to be held in American Samoa in August 2008. SPC organised the 10th Triennial Conference of Pacific Women and the 3rd Ministerial Meeting on Women in Noumea in May. The meetings attracted strong participation from civil society, development partners and academia and covered the majority of the areas under the Pacific Platform for Action (PPA). The Pacific Youth Mapping Exercise was completed in 2007. Its findings (see CRGA 2007, Paper 3.6) will be used to ensure a more comprehensive approach to addressing youth challenges in the Pacific Islands region within the framework of PYS2010. Ms Petersen said an important focus for 2008 would be cross-programme coordination to integrate gender and youth issues into the activities of SPC's technical programmes. Another important focus would be to increase the visibility of HDP in PICTs, in part through increased communication with focal points and the formation of partnerships. (The full text of the HDP report and its strategic plan are in CRGA Paper 2.2.3.)

74. The representative of Australia expressed appreciation for the work of SRD, particularly the gender work of HDP. In line with the decisions of the 10th Triennial Conference of Pacific Women, he said his country supported cross-programme initiatives and gender training and considered that it was appropriate for SPC to engage in policy work in this area, e.g. through support for CEDAW processes and implementation of the PPA. He said Australia was aware of SPC's difficulties in recruiting a gender adviser and suggested that SPC consider using a volunteer.

75. The representative of PNG commended the work of SRD, especially the work of HDP in integrating women and youth issues in technical programmes. PNG has embarked on a policy of integrated community development – 'building communities from the inside out' – to deal with such problems as its rising population of landless youth. He said there was a need to increase women's representation in parliament but women often did not want preferential treatment; they wanted to compete on an equal basis in both business and politics.

76. The representative of American Samoa congratulated the Chair and commended the work of the Director-General of SPC and his staff. He also thanked the Government of Samoa for its hospitality. He said American Samoa was grateful to HDP for its assistance with the Festival of Pacific Arts and looked forward to working with HDP to make it the most successful festival ever.

77. The representative of Solomon Islands thanked the presenters and expressed support for the PNG representative's comments. He said his country faced similar problems in terms of gender and youth. He recorded appreciation for the gender-based violence research project being implemented by SPC in Solomon Islands, saying it was important to promote gender equality and reflected his government's commitment to CEDAW. An MOU on the project would be signed shortly with the Director-General.

78. The representative of Tokelau stressed that when projects were being developed, capacity building at the community level must be considered. He noted that in Tokelau, the public service had only 32 staff, so

they had limited ability to undertake training overseas, which took them away from their work. SPC needed to devise innovative ways of developing capacity for small island states.

79. In response, the Manager of HDP thanked Australia for its suggestion and said a second round of recruitment for a gender adviser was now under way. In 2008, HDP would be focusing strongly on community development approaches, e.g. a scoping study was planned for CETC to enable it to improve community-level approaches. She noted the concerns raised by Tokelau on capacity building and said that these would be addressed in the CETC study.

➤ **Public Health Programme - Progress Report 2007**

80. Public Health Programme (PHP) Manager Dr Thierry Jubeau presented programme highlights of PHP's six sections: Public Health Surveillance and Communicable Disease Control; Tuberculosis Control; HIV & STIs; Global Fund to fight AIDS, Tuberculosis and Malaria; Healthy Pacific Lifestyle; and Adolescent Health and Development. He said that it had been a busy year with implementation of highly complex multicultural projects with multi-donor funding. PHP had doubled its staff in recent years and had provided consistent support to countries. It had developed innovative concepts, such as Healthy Pacific Lifestyles and the Framework of Health Priorities for the Pacific. It had been a challenge to manage the rapid PHP expansion in a changing regional public health environment, but this had also provided opportunities to renew partnerships. Strategically, PHP continued to implement the process of change initiated by the independent review of the programme in 2006, while internally it is ensuring that management and monitoring structures and approaches were appropriate to its rapid growth through the development of programme management tools, implementation of crosscutting groups, and establishment of a small central management team to service the programme. This process would continue to reshape the programme in the coming years and would be reflected in PHP's next strategic plan. The full presentation is available from the Secretariat as Paper 2.2.3.

81. The representative of France thanked the PHP Manager for his informative presentation. He requested clarification about developments regarding SPC's objectives in the health sphere. He pointed out that, at the November 2006 CRGA, SPC had set the goal of working towards the adoption of a Regional Health Strategy and the establishment of a Pacific Health Fund. He noted that the PHP Manager had, in his remarks, stated that one goal was a priority action framework, but with no reference to a regional strategy: had the SPC's goals changed? Was a regional strategy still a priority for SPC? This clarification was particularly important for France, as the French Development Agency was looking at providing funding for SPC health projects.

82. The PHP Manager explained that the concepts of the Strategy and Fund were still relevant. However, the Conference of Health Ministers that met in Vanuatu this year had not formally approved a strategy but had requested SPC to develop a regional mechanism after looking at options through a mapping exercise.

83. The Director-General added that the health mapping exercise would look at health priorities and challenges, and would help identify funding gaps to develop a regional framework. He noted that there was some concern on the part of the Health Ministers that SPC might be duplicating existing activities by other partners and had requested SPC and WHO to work jointly to develop this framework by 2008, in liaison with PPAC. In other words, the mapping exercise would help develop the framework, while the Pacific Health Fund would be the financing mechanism.

84. The representative of France thanked the Director-General for these very useful clarifications.

85. The representative of Australia noted that PHP was in the process of changing its structure. Australia supported the proposed establishment of a central management support team with a view to streamlining these changes. Australia looked forward to receiving an update on the findings of the review of the Adolescent Reproductive Health Programme, when available.

86. The PHP Manager replied that more work needed to be done on the review and that it would not be available till 2008.

87. The representative of Papua New Guinea endorsed the current partnership approach at the national level. He said that the strategy needed to dovetail with important initiatives carried out at country level. He acknowledged the valuable assistance provided by donors, and particularly the assistance provided by Australia in the area of HIV and AIDS. He stressed that having former SPC staff member Dr Clement Malau as the current head of PNG's Health Department offered valuable opportunities for closer collaboration between PNG and SPC's PHP. He inquired about the report of the betel nut survey briefly mentioned in the SPC paper.

88. The PHP Manager indicated that the full report of that very important survey had been published by WHO. It was not only the first study of its kind but also highly informative. He noted the comment by the representative of Papua New Guinea that betel nut is a major health issue in his country, as it relates to the incidence of oral cancer, and his hope that the report could act as a catalyst to address this problem.

➤ **Statistics and Demography Programme - Progress Report 2007**

89. The Manager of the Statistics and Demography Programme, Dr Gerald Haberkorn, provided a summary of significant programme achievements and activities in 2007, together with an overview of the recommendations from the Regional Meeting of Heads of Planning and Heads of Statistics held in September 2007. Specific programme highlights included the successful start of the 2006–2007 Regional Demographic and Health Survey pilot project undertaken in collaboration with ADB and Macro International, and of the new 2006–2008 collaborative regional statistical capacity building initiative with the Australian Bureau of Statistics. Other highlights were the continued collaboration with UNFPA in mainstreaming population and gender into national policy development and planning, with ADB on a regional poverty project, and with PIFS on key Pacific Plan-related policy priorities. The Programme also organised successfully the Second Regional Meeting of Heads of Planning and Heads of Statistics in September this year and produced a number of key statistical and analytical reports. He emphasised activities related to data collection and dissemination, as well as broader general statistical training. In conclusion he thanked the Programme's many partners and donors for their valuable productive relationships, in particular AusAID, NZAID, France, ADB, UNFPA, the UN Statistical Institute for Asia and the Pacific (UNSIAP), the Australian Bureau of Statistics (ABS), Statistics New Zealand, the Pacific Financial Technical Assistance Centre (PFTAC), PIFS and UNDP.

90. The representative of Papua New Guinea commended the Programme for its work and stressed the importance of statistics in providing valuable socio-economic indicators. He stressed the need for surveys on families to obtain information on how families live. He said that his government emphasises looking at community-based approaches that lead to tangible results. This is a major challenge that can be surmounted with assistance from partners such as SPC. He explained that his country now faces urban drift from rural areas; it has tried different strategies over the years to tackle this problem, but needed additional consultative assistance from SPC.

➤ **Regional Media Centre – 2007 Progress Report**

91. The Coordinator of the Regional Media Centre (RMC), Mr Larry Thomas, said that the centre's two core roles were media training for Pacific Islanders and media production for SPC programmes and other clients. Despite some staffing concerns, including turnover, 2007 had been an active year for the RMC team. It had played a significant role in SPC's 60th anniversary celebrations in Suva and Noumea, documenting several events and coordinating the local media campaign in Suva. *The Pacific Way* monthly television programme, the RMC's flagship product, continued to have wide appeal in the region and the centre's multimedia training at CETC was in high demand. Highlights of the year's work included the production of a short documentary on SPC's 60th anniversary celebrations; a documentary, *Struggling for A Better Living: Squatters in Fiji*, for the Citizens Constitutional Forum (CCF); numerous workshops on film and documentary production; and the development of course materials for radio and TV documentary production. This course is part of the Diploma in Media and Journalism currently offered by the several regional institutions. RMC had also produced its first strategic plan for consideration by CRGA 37 (The full text of the RMC report and its strategic plan are in CRGA Paper 2.2.3 Annex 7 and Annex 8, respectively.)

DECISIONS

92. CRGA noted and commended the work of the Social Resources Division during 2007 and the decisions of the 10th Triennial Conference of Pacific Women (as presented in Annex 3 of CRGA 37 Paper 2.2.3), and agreed to recommend to the Fifth Conference of the Pacific Community that it endorse:

- i. the strategic plan for the Human Development Programme, as presented in Annex 2 of CRGA Paper 2.2.3;
- ii. the strategic plan for the Regional Media Centre, as presented in Annex 8 of CRGA Paper 2.2.3; and
- iii. the decisions of the 10th Triennial Conference of Pacific Women.

AGENDA ITEM 3 – FOCUS ON MEMBER PRIORITIES: POLICY MATTERS AND SECTORAL INITIATIVES

AGENDA ITEM 3.1 – JOINT COUNTRY STRATEGIES AND COUNTRY PROFILES ACHIEVEMENTS, CHALLENGES AND DIRECTIONS

93. The Deputy Director-General of SPC presented a paper outlining the development of joint country strategies (JCS) and country profiles, which were an outcome of the 2005 Corporate Review. He said the Secretariat and its national partners had completed drafts of five joint country strategies in 2007 for Cook Islands, Kiribati, Marshall Islands, Nauru and Tokelau. Four of the five current JCS (Cook Islands, Kiribati, the Marshall Islands and Nauru) have a common structure that includes an introduction, the national development strategy, the Secretariat's forward programme, development partnerships and a monitoring framework. The Tokelau document follows a slightly different structure as it is a joint strategy that also involves 10 other agencies. While the development of the JCS has required considerable resources and time, the JCS and country profile initiatives have proved to be very useful processes as they provide a reference point for both the Secretariat's programme staff and national counterpart planners to facilitate coordinated service delivery. They also provide SPC and other stakeholders, including CROP agencies and multilateral development partners, an opportunity to provide information on their respective plans and programmes, thus helping to avoid duplication and address resource shortfalls. The Secretariat has targeted the completion of JCS for all its SIS members by 2009. In collaboration with PIFS and FFA, SPC is also planning to develop a JCS for Solomon Islands, in recognition of its special post-conflict needs. In response to member requests for more easily accessible information on the services the Secretariat has provided, SPC is also compiling 'country profiles', which combine basic country facts with an overview of recent and current SPC assistance. In 2007, the Secretariat completed country profiles for Cook Islands, Kiribati, Marshall Islands, Nauru, Tokelau, Federated States of Micronesia, Samoa, Tuvalu and Wallis and Futuna, and plans to cover all Pacific Community members within the next two to three years. The Deputy Director-General stressed that both initiatives were driven by country priorities and included a multi-disciplinary approach to planning at both Secretariat and national level.

94. The Chair thanked the Deputy Director-General for his report and invited comments.

95. The representative of Wallis and Futuna thanked SPC for its development of the JCS and country profiles, commenting that it was a very useful exercise that his country looked forward to taking part in.

96. The representative of Cook Islands acknowledged the assistance of SPC and said that in the case of the Cook Islands, the development of the JCS was a genuinely collaborative effort. A member of the Cook Islands Planning Unit visited SPC to co-write the document. As a result, the JCS reflected the priorities of Cook Islands, was based on specific goals in its national development plan and shared the same time frame.

97. The representative of the United States acknowledged that SPC took the development strategies of PICTs into account when developing JCS. He said it was important that reviews of the strategies were carried out in collaboration with other agencies. He asked if the Tokelau JCS, which was a multi-agency

strategy, would provide a model for further strategies. The United States would look to work with SPC in developing the JCS for FSM – the US Department of the Interior, for example, provides considerable assistance to FSM.

98. The representative of Australia welcomed the cross-sectoral nature of the JCS and said they had the potential to reduce duplication of services. He noted that their development was resource intensive and asked how SPC planned to monitor and review implementation of the JCS. He said they offered an opportunity for coordination in the region and that AusAID would draw attention to the JCS as they were posted on SPC's website.

99. The representative of Kiribati thanked SPC for taking on the task of developing JCS as requested by members, saying they showed a serious commitment to assisting countries to pursue their own goals and were a basis for future cooperation. Kiribati was the first country to have a JCS developed, in 2006, and there were challenges in the process, including stretched capacity at local level. Many ministries were involved and the process had alerted her government to the fact that stronger coordination was needed between ministries. The draft JCS had not yet been endorsed by Cabinet, partly because the government had just been elected. However, the JCS would be presented to Cabinet shortly.

100. The representative of Tokelau thanked SPC for its support for Tokelau, especially for putting together the JCS. Tokelau had been closely involved in developing the JCS, felt ownership of it, and was confident that it would be implemented and monitored.

101. The representative of PNG also stressed that collaboration between CROP agencies was essential. Mechanisms for greater cooperation between CROP agencies had been examined during the review of the Regional Institutional Framework. SPC and PIFS should work together on the development of JCS. Collaboration at the national level was also needed to ensure other international organisations were in the loop.

102. The representative of French Polynesia said the development of country profiles and JCS provided a valuable overview of the assistance given to countries. French Polynesia looked forward to the development of a JCS in 2009. He noted that the Millennium Development Goals (MDGs) were not referred to in the JCS, even though SPC had engaged in meetings on MDGs in 2007, and asked if they would be included.

103. The representative of Tonga asked for clarification of the planned schedule for the development of JCS. He noted that the JCS for Tonga was scheduled for development in 2009.

104. The representative of Cook Islands noted that its national sustainable development plan incorporated targets relating to CEDAW, the MDGs, etc. The JCS was closely aligned with this plan and thus reflected commitment to achieving those goals.

105. The representative of Niue thanked SPC for undertaking the preparation of JCS and said Niue was encouraged by the favourable experience of other PICTs and looked forward to completing its JCS next year. The time frame for completing the JCS process must be realistic. The strategies should be useful in preventing duplication of work by CROP agencies.

106. In response, the Deputy Director-General thanked representatives for their positive feedback and acknowledged the UNDP and SPREP observers present who had taken part in developing the Tokelau JCS. He noted that the dates proposed for completion of other JCS had to be confirmed with countries. While the JCS did not include explicit reference to MDGs, these had featured in discussions with countries and the proposed activities would help achieve them. He agreed with the need for close cooperation between agencies and with other partners and assured the meeting that this had been a feature in the development of the JCS, both at 'desk level' and during consultations with partners and donors in-country, e.g. SPC would work with PIFS and FFA in developing the JCS for Solomon Islands. He said there was room for further development of the structure and content of country profiles and JCS. While the existing country profiles focused on financial information relating to the assistance provided by SPC, there were plans to include more narrative on activities in countries.

107. The Director-General said that more specific reference could be made to attainment of the MDGs and other international goals in the introduction to the strategies. He noted that the Tokelau JCS involved 10 agencies and could be considered a model for future JCS, though there were challenges in coordinating the activities of so many agencies. He said he had raised the concept of JCS at meetings of CROP heads and they had agreed on its benefits. He stressed that JCS were a new initiative that could only get better. They gave countries one document that pulled together the activities of all partners. UN agencies were also involved in discussions on the process and UN country reports would be shared. He asked PICTs to tell SPC what they wanted to see included in country profiles and said a questionnaire would be circulated to representatives requesting feedback.

DECISIONS

108. CRGA noted the Secretariat's achievements, challenges and future plans concerning the development of joint country strategies and country profiles, and agreed to recommend to the Fifth Conference of the Pacific Community that it endorse the Secretariat's intention to:

- i. complete joint country strategies for the Federated States of Micronesia, Niue, Pitcairn, Solomon Islands, Tuvalu and Wallis and Futuna in 2008; and
- ii. develop further country profiles for other members.

AGENDA ITEM 3.2 – DIGITAL STRATEGY IMPLEMENTATION

109. The Director-General outlined SPC's role in implementing the Pacific Plan Digital Strategy, which was approved by Forum Leaders at their 2005 meeting in PNG. The strategy addresses five regional priorities for information communication technology (ICT): (i) improving access to communication technology, particularly to and from rural and remote areas; (ii) reducing costs of ICT; (iii) establishing higher bandwidth connectivity to the global ICT 'backbone'; (iv) removing inappropriate regulatory environments in order to foster higher levels of investment; and (v) strengthening HR capacity to apply and use ICT. The Director-General noted that SPC and PIFS have now jointly secured financial resources through the Australian Government to finance a dedicated Pacific hub from the AMC 23 satellite, which will provide a low-cost satellite-based Pacific rural satellite interconnectivity system (Pacific RICS) for all rural and remote areas in the Pacific. In addition, they have facilitated consultations between 12 member PICTs and a private sector provider for a possible new submarine cable network that has the potential to bring high-speed unlimited bandwidth to the 12 countries as early as the end of 2008. They have also created awareness of the 'One Laptop Per Child' (OLPC) initiative and its potential to transform education and learning opportunities, particularly in communities where children do not have access to schools, and have made reasonable progress in other areas, including benchmarking the current status of ICT and the review and development of national ICT policies. He closed by noting the need for PICTs to make a serious commitment to utilising the technological solutions being made available to them so that they can realise the tremendous development potential these offer their people.

110. The representative of Tuvalu requested clarification regarding Tuvalu's involvement in the Pacific Plan Digital Strategy, and inquired if SPC could provide assistance to Tuvalu with respect to ICT.

111. The representative of Fiji thanked SPC for its work in implementing the Digital Strategy, noting that it was very important to the Pacific. He indicated that it complemented his government's efforts to deregulate the telecommunications market. Noting that the high cost of telecommunications is a significant problem, he said the project would bring competition, and thus reduce costs. He indicated that consultation at the ministerial level between the Director-General and his government had been very positive, and thanked SPC for its involvement.

112. The representative of Samoa thanked SPC and PIFS for their work on the initiatives detailed in Paper 3.2, noting that Samoa supports ICT development due to its role as a tool for economic and social

development. He said that Samoa's national ICT strategy clearly identifies rural and international connectivity as priorities, and Samoa fully supported SPC's work. He observed that the proposed submarine cable could be the best-ever opportunity for island countries to connect to the information superhighway. He indicated that it should serve all the needs of PICTs for many years, and urged all PICTs to seriously consider joining the network. He noted, however, that PICTs should be very realistic regarding the costs involved, which he said included interconnection costs and ongoing operations and maintenance. He inquired if the time available for members to consider the cable project could be extended until the end of December, as the countries have a number of questions for the South Pacific Islands Network (SPIN) team. He closed by observing that the satellite rural connectivity initiative was very good for highly dispersed countries.

113. The representative of Papua New Guinea thanked the Director-General for his succinct presentation. He stressed the importance of taking into account possible long-term costs to countries. He also emphasised that the real challenge for countries is internal, as they need to consider issues such as telecommunication monopolies, the advantage of competition and other issues linked to deregulation before they embark on this new initiative.

114. The representative of New Zealand welcomed the progress made in facilitating a range of ICT initiatives, particularly with respect to RICS and SPIN. New Zealand, however, remained cautious about the advantages of the OLPC initiative and was looking forward to receiving the report on the outcomes of the pilot project being conducted in Solomon Islands by the Ministry of Education. Like Papua New Guinea, New Zealand also had concerns about the local capacity of countries to take on board these initiatives efficiently and the need to address local regulatory and other telecom issues. She hoped that the benchmarks being developed to allow PICTs to assess their own e-readiness could be taken forward by SPC. She wondered if SPC's attendance at the ICT Task Force Meeting could help align technical issues with other current developments.

115. The representative of Kiribati thanked the Director-General for a very exciting presentation. She explained that the islands of her country were scattered over a wide expanse of ocean and that ICT connectivity was a major issue. She welcomed these initiatives as they had the potential to help countries effectively address these challenges and bridge the isolation of these islands. However, she shared the concerns raised by Papua New Guinea and Samoa, and requested more information on the long-term sustainability of the initiatives. She requested SPC to provide more detailed information not only on the potential benefits to countries, but also on the cost implications and other factors impacting on countries, so that members could have a better overall picture of the long-term sustainability of the strategy.

116. The representative of Tonga expressed appreciation for the work done so far. He noted that the implementation of the proposed Digital Strategy would complement Tonga's current use of radio as a communication and education tool.

117. The representative of Tokelau commended SPC for its efforts to reach out to remote areas. Tokelau's isolation was a challenge and he looked forward to major improvements with the implementation of the Digital Strategy. He raised concerns about the capacity to implement the process at national level. He expressed gratitude for IT-related attachments with SPC. He requested SPC to continue to monitor the implementation process in collaboration with the private sector partner.

118. The representative of American Samoa thanked the Secretariat for its hard work, particularly with respect to the SPIN project, as it had great potential to bridge the digital gap and to benefit economic development.

119. The representative of France thanked the Director-General for his presentation advocating the submarine cable project. He confirmed that France took a close interest in this initiative and referred to the speech by Mr Christian Estrosi, Secretary of State for Overseas Affairs, to the Pacific Islands Forum Leaders in Tonga in October 2007:

'For these reasons, the French government will support the trans-Pacific submarine cable project between Australia and French Polynesia. Successful cooperation on this project will significantly help reducing the isolation of many Territories in this vast and magnificent Pacific region, which is so far

from any technologically equipped continent.’

France’s interest in this project is justified by the cable route, because it would connect Australia to French Polynesia while serving the three French territories and some 10 states. But, in view of the high cost of such an operation, a regional solution is favoured. This investment would firstly improve the reliability and security of telecommunications in the Pacific, through its integration into the existing network: a new link in this network would make it more robust and reliable if any difficulty should arise. This regional aspect and the cost of the project mean that France wishes to involve the major Pacific aid donors in its funding. Mr Estrosi specified this in his speech to the Forum:

‘I can assure you today that France and its Territories are prepared to take part in this project if the other donors share this analysis and can provide their support.’

Mr Estrosi added that he was thinking of Australia and the European Union.

120. The representative of France added that he will report to his government the interest shown by his colleagues, representing many Pacific countries, to confirm that this project is definitely eagerly awaited throughout the Pacific.

121. The representative of Niue said that his government was appreciative of SPC’s commitment to bridging the digital gap in the region and hoped for positive outcomes. He thanked Australia and other donors for their support to the Digital Strategy.

122. The representative of Solomon Islands placed on record his appreciation to SPC for the communication assistance provided to rural communities under the strategy, noting that 80% of his people live in rural areas and that access to computers and internet make a major difference to people living in isolated communities. He explained that his Government has embarked on a bottom-up approach to improving the lives of rural communities and that SPC assistance under the strategy ties in with national efforts. He expressed appreciation to all donors and particularly to UNDP for their assistance. His government was particularly appreciative that Solomon Islands had been chosen for the OLPC pilot project. With respect to the SPIN project, discussions had been held with Alcatel and the project was generating a lot of interest. He supported comments made by Papua New Guinea and Fiji on the issues of deregulation and competition. Solomon Islands’ current telecommunication monopoly was affecting the sector and his government had embarked on a deregulation process and was looking forward to the outcomes of future competition.

123. The representative of the United States echoed comments made by previous speakers on the need for appropriate policy and for a regulatory framework. He also stated that countries would benefit from having a clearing house to provide detailed information on the steps they need to take to implement the strategy. He provided information on the fibre-optic cable that will link Guam to Kwajalein Atoll in the Marshall Islands, and will also benefit the Federated States of Micronesia and the Marshall Islands generally.

124. The representative of Vanuatu thanked SPC for the Digital Strategy. He outlined the importance of the SPIN project to his country. Vanuatu had started negotiation with Alcatel in Tonga and the draft agreement between Alcatel and Vanuatu should be finalised in the coming weeks. With respect to funding, he acknowledged the contribution and support of France, and hoped that other donors would also make firm commitments.

125. The representative of French Polynesia commended SPC for the excellent initiatives that had been undertaken, noting that they were of particular importance for all PICTs. He urged members to support the recommendations relating to the Digital Strategy.

126. The Director-General noted the high level of interest in the issue from members. He stressed that SPC’s involvement was undertaken in cooperation with other CROP organisations, with overall coordination provided by PIFS. In response to the inquiry from Tuvalu regarding participation in SPIN, he noted that geographic, population and economic factors would affect how viable a particular ICT option would be for each PICT. He noted that in some instances access via satellite might prove to be the best and most cost-effective option, and indicated that the Secretariat would undertake to provide an information package to members to help outline the options. He thanked members who had expressed caution during the discussion,

noting that it was very important for members to carefully evaluate options. He noted that if members chose not to participate in SPIN initially, they would have to finance own connectivity in the future. He said that SPC had indicated to Alcatel that November 2007 was an unrealistic deadline for countries to commit to being involved, but that members would have to discuss this with the SPIN provider. He noted SPC would seek resources to employ a dedicated person to supply the information needs for all the Digital Strategy-related issues being discussed. He thanked countries for their interest and support in implementing the strategy, noting the commitment made by France at the recent Forum Leaders meeting. He closed by observing that all the recommendations being put to CRGA were without financial implication.

DECISIONS

127. CRGA:

- i. noted and commended SPC on its accomplishments with regard to implementation of the Digital Strategy;
- ii. acknowledged the rapid implementation of a technological solution, Pacific RICS, that will help bridge the communication divide between urban and rural and remote areas in the Pacific;
- iii. thanked the Government of Australia for providing the funds to secure the dedicated Pacific satellite hub from the AMC 23 satellite for Pacific RICS;
- iv. encouraged all members to consider making use of the low-cost satellite-based Pacific RICS (within current telecommunication frameworks) to increase internet connectivity, and to enhance the benefits it brings, particularly for rural and remote schools, health facilities and business centres, by investing in more sites to spread these benefits further;
- v. encouraged the 12 countries who could benefit from the submarine cable project to engage seriously in bilateral consultations with the private sector company that is involved in the project;
- vi. encouraged Ministries/Departments of Education in PICTs to assess the usefulness of OLPC as an education tool and medium for disseminating information in sectors such as health, agriculture, forestry and fisheries to rural and remote communities, and advise SPC and PIFS on the level of priority accorded to OLPC in their respective countries and territories; and
- vii. encouraged national telecommunication regulatory authorities to make provision for issuing licences to schools and health facilities in rural and remote areas, and also make direct use of the dedicated Pacific hub by purchasing their own bandwidth at lower rates so that they could pass on cheaper services to rural and remote communities.

128. CRGA recommended to the Fifth Conference of the Pacific Community that it acknowledge the efforts and commitments made to date with respect to implementation of the Digital Strategy, and encourage each Pacific Community member to pursue further implementation of those elements of the strategy that were appropriate for them.

AGENDA ITEM 3.3 – SMALL ISLAND STATES SHIPPING

129. The Deputy Director-General, Suva, outlined the Secretariat's progress in supporting the unique needs of small island states (SIS), in particular with regard to shipping services, commercial ship management, and the provision of operational advice on the management of SIS shipping companies. He noted the April 2007 maritime ministers meeting – the first in 10 years – considered the needs of SIS with respect to shipping to be a priority, and that this was reflected in the 2007 Sixteenth Smaller Island States Leaders' Summit plenary and communiqué. He noted SPC's commitment to improving existing shipping services in SIS, and described the feasibility study that had been undertaken regarding a feeder shipping service serving Fiji, Tuvalu, Kiribati, Nauru and Wallis and Futuna. The study highlighted the importance of managing shipping services and receiving high-quality advice. The recommendations from the study looked at various options,

including (i) maintaining the status quo, whereby SIS maintained existing services; (ii) obtaining a new ship through donor assistance, with an initial Pacific Forum Line (PFL) management arrangement; (iii) PFL reintroducing a feeder service with guaranteed slot agreements; (iv) use of existing capacity in Tuvalu and Kiribati, whereby the *Moanaraoi* (a Kiribati vessel) could provide a limited service to Tuvalu, Wallis and Futuna and Nauru; and (v) a Regional Shipping Service Agreement, as the best long-term option. He also highlighted a workshop on commercial ship management that was attended by delegates from Kiribati, FSM, Samoa, Tokelau and Tuvalu and focused on shipping and maritime economics within shipping operations. He noted that SPC was examining providing technical advice, capacity supplementation and training for effective and efficient shipping services. He closed by noting that SIS would benefit from coordinated responses to a variety of issues, including (i) principles of good governance; (ii) economic stability; (iii) adoption of sub-regional approaches for innovative solutions; (iv) safety and security, and effectiveness and efficiency; (v) consideration of best management practices in the provision of advice; (vi) shipping company management and operation; and (vii) the provision of domestic services.

130. The representative of Kiribati thanked the Deputy Director-General for his presentation, which she said had highlighted the real challenges and vulnerabilities that SIS face in terms of transport and shipping services. She commended SPC for its serious commitment to addressing one of the long-standing issues for SIS, and noted the lead role assumed by SPC and, in particular, RMP. She said Kiribati was pleased to note the rapidity with which SPC had addressed SIS issues, and registered her country's serious commitment to assisting the region in the short to medium term by providing a vessel for the feeder service, and said Kiribati was assessing the viability of this and other proposals. She also expressed her appreciation for the SIS workshops, which served to bring many resource people together and were very useful in building the capacity of PICTs. She noted that the designation of the Deputy Director-General, Suva, as the SIS special liaison marked a very genuine commitment on the part of SPC to look at the special challenges SIS face, and said she was hopeful that the support from SPC, and collaboration with CROP agencies and donors, would continue in the future.

131. The representative of Pitcairn noted that shipping services were a long-standing problem for the island, where 70% of what is consumed is imported. He noted that four freighters currently visit the island every year. Efforts are under way to provide a monthly service in future, which would probably operate from New Zealand. He noted Pitcairn's interest in accessing any technical and operational expertise that SPC could offer. He also suggested that when Pitcairn's shipping service was operational it could probably also assist other PICTs, and welcomed discussions regarding such cooperation.

132. The representative of New Zealand supported the objective of a well-designed proposal for a SIS shipping service, which she said would be very complex. She suggested it could be helpful for CRGA to call for increased political involvement on the part of PICT leaders. She also suggested it could be helpful to have additional technical information and analysis of the various options that had been identified for addressing SIS shipping needs. She noted that transport services require ongoing support from host governments, and said that it was important to consider what resources may be needed in the future.

133. The representative of French Polynesia expressed his appreciation for the work done on the SIS shipping issue, which he said concerned French Polynesia as well, although as regards internal, domestic services. He asked if there were cost estimates available regarding the establishment of an SIS ship management unit, and asked if this would be covered through core budget or extra-budgetary funding.

134. The representative of Australia noted that additional work was needed to consider the costs and benefits and long-term viability of shipping services to particular PICTs. He asked for clarification regarding the establishment of a ship management unit in RMP, and indicated Australia's willingness to consider detailed proposals relating to such a unit in the future. He also noted that SIS could possibly benefit from receiving broad policy advice with respect to shipping services.

135. Several delegates raised questions regarding additional work needed to clarify the viability of the various options for provision of shipping services to SIS, and asked for clarification from the Secretariat regarding these options and related recommendations.

136. The Deputy Director-General expressed his appreciation for the support and acknowledgement of SPC's efforts on behalf of SIS. The RMP Manager clarified the evaluation that had been conducted of the various SIS shipping options, and indicated that the results of a cost evaluation of the proposed SIS ship management unit would be distributed to interested members.

DECISIONS

137. CRGA:

- i. noted the direction, progress and nature of SPC support for SIS;
- ii. noted the recommended options of the SIS feeder shipping service study and acknowledged that PICTs need to work collectively to improve SIS shipping services;
- iii. noted that SIS Leaders, at their recent summit in Tonga, agreed to use existing capacity in Kiribati to serve Tuvalu and Nauru (identified as option 4.4 in CRGA 37 Paper 3.3), while assessing the purchase and management of a new ship (option 4.2 in Paper 3.3), and exploring the possible establishment of a Regional Shipping Services Agreement involving a number of states (option 4.5 in Paper 3.3);
- iv. noted the need for training in commercial ship management in SIS and agreed to recommend to the Fifth Conference of the Pacific Community that it support the delivery of risk-free simulation training by SPC's Regional Maritime Programme;
- v. recommended to Conference that it encourage additional financial support from donor partners for the establishment of an SIS ship management unit within the Regional Maritime Programme for capacity supplementation, improved technical advice and effective shipping management services; and
- vi. recommended to Conference that it support the efforts being made by the Secretariat to provide assistance to SIS with respect to shipping, and direct the Secretariat to facilitate implementation of the decisions made by SIS Leaders, as articulated in (iii) above.

AGENDA ITEM 3.4 – TECHNICAL AND VOCATIONAL EDUCATION AND TRAINING

138. The Deputy Director-General, Suva, stated that technical and vocational education and training (TVET) should be considered an integral part of any education and training system in the Pacific. However, national governments, regional organisations and development partners had tended to give priority to general and academic education. He said initiatives undertaken to address this imbalance included the ADB study 'Skilling the Pacific' (to which SPC contributed), strengthened donor support for existing national TVET institutions, and the establishment of the Australia-Pacific Technical College (APTC). He said that through the training activities incorporated in its programmes, SPC was a major provider of TVET in its own right. The establishment of the Pacific Association of Technical and Vocational Education and Training (PATVET) had been an important step towards creating a regional support structure for TVET in the Pacific. SPC had supported PATVET through a small secretariat based at its CETC in Suva. The Deputy Director-General said that SPC would continue its support for PATVET, noting that it was formally committed to providing the secretariat for a period of three years. Any extension of this period was subject to resource availability. PATVET participated in the ADB 'Skilling the Pacific' study, which resulted in a USD 6 million project proposal, and was compiling the TVET Regional Inventory. Phase 2 of the inventory had been completed for seven members, with the remaining members expected to be covered by the end of 2007. He noted that Pacific Islands Forum Leaders had recently decided that the South Pacific Board for Educational Assessment (SPBEA) should be integrated into SPC. A decision on the issue would be made by the Conference of the Pacific Community and SPBEA's governing body. The Deputy Director-General ended by saying that SPC's specific strategies with regard to TVET included establishing an SPC TVET programme to provide technical assistance to governments, administrations and TVET institutions and to support coordination and information sharing in the sector, and developing a regional TVET support framework in collaboration with partners including PATVET, PIFS, USP and SPBEA. (For the full text of

the presentation, see CRGA 37 Paper 3.4, which is available from the Secretariat.)

139. The Chair thanked the Deputy Director-General for his report and invited comments.

140. The representative of the United States acknowledged SPC's work in the TVET area and noted the potential relevance of TVET to a project to relocate US military personnel from Okinawa to Guam. The project would require USD 10 billion worth of infrastructure in Guam; Japan would pay 60% of this cost. Hundreds of skilled workers would be required for building work and also to provide tertiary services. While the initiative was in its early stages, the US government would like to work with SPC and PICTs to ensure the region could benefit from the opportunities available and also wanted to work with Pacific institutions to see that the skills needed were developed. The labour and skills required would have to be assessed in cooperation with Japan and Guam.

141. The representative of Australia updated the meeting on his government's efforts on TVET in the region. TVET was a major focus of Australia's aid programme and AusAID would be providing increased support in this area. Funding would begin slowly in 2008–2009. There would be support for partners to reform education systems. Another important step was the establishment of APTC. The first intake of students had begun in Vanuatu for hospitality courses. Courses in mechanical and electrical trades would be provided in Fiji. The School of Health would begin operating in 2008. A Technical Adviser Group would include Australian government and Pacific representatives. Over four years, AUD 10 million would be provided for a scholarship programme and over AUD 3 million for existing TVET services, e.g. for nursing training in Kiribati. He said AusAID was aware of the ADB study and was considering its results in developing its programme. PATVET had merit, as did the qualifications register. He noted significant increases in aid to the region and said this added support would complement the work of APTC. Australia would also be happy to work with the US on skills development.

142. The representative of PNG commended the work of SPC on TVET and said it was true that families often preferred academic to trade qualifications. However, TVET was essential for the Pacific. In relation to paragraph 6, Paper 3.4, he asked if current funding for SPBEA could be easily transferred to SPC. He noted the work opportunities highlighted by the US representative and expressed gratitude to Australia for the APTC programme.

143. The representative of Tokelau acknowledged SPC's support for TVET in Tokelau, especially through the work of CETC, noting that such training was very important for people who had no access to formal education. The representative asked if SPC could look at how CETC graduates returning to Tokelau could translate their skills and knowledge to village programmes.

144. The representative of French Polynesia asked how SPC planned to involve francophone territories in its regional TVET strategy.

145. The representative of Fiji asked if SPBEA had been consulted about its proposed merger with SPC.

146. The representative of FSM asked the United States representative if there were plans for a labour mobility scheme that would allow Pacific Islanders to take advantage of potential work opportunities in Guam.

147. The representative of United States reiterated that planning was only in the early stages and it was not yet known how many people would be needed. Japan would have input on this aspect of the project. He said he hoped that benefits could be spread throughout the region, but US-affiliated territories would have advantages in terms of entry requirements.

148. The Deputy Director-General thanked the US representative for the information on the Guam initiative. He said it was an example of the new environment that TVET would operate in. He also thanked Australia for the update on APTC. He acknowledged that the transfer of CETC skills when graduates returned home was an ongoing challenge and depended on the way women worked in various communities. The Principal of CETC was looking at new ways of helping graduates apply their skills on their return. There

was a need for further partnership on this issue between countries and SPC. He noted that men were now attending gender courses at CETC.

149. The Director-General noted that the question of integration with SPBEA depended on a decision by Conference and the SPBEA Board next week. Meanwhile, SPC would continue to collaborate with SPBEA. There had been regular consultations with SPBEA on the qualifications register and the development of the paper. With regard to funding, he said SPBEA had a small budget of USD 750,000 plus programme funding of USD 250,000, and by joining SPC it could access more resources. Whether or not SPBEA merged with SPC, services would still need to be provided to French territories. In the event of a merger, it would be SPC's responsibility to ensure that this happened.

DECISIONS

150. CRGA:

- i. noted SPC's contribution towards helping to establish a coordinated approach to technical and vocational education and training (TVET) in the region, in particular its support for the Pacific Association of Technical and Vocational Education and Training (PATVET);
- ii. noted progress on the inventory project, and the establishment of the Australia-Pacific Technical College;
- iii. recommended to the Fifth Conference of the Pacific Community that it endorse SPC's TVET strategies;
- iv. recommended that Conference direct the Secretariat to seek strategic discussions with PATVET, PIFS and USP regarding the organisation of an effective regional support framework for TVET in the Pacific; and
- v. recommended that Conference direct the Secretariat to seek donor funding to support its TVET strategies.

AGENDA ITEM 3.5 – PUBLIC HEALTH – CHALLENGES AND DIRECTIONS

151. The Public Health Manager, Dr Thierry Jubeau, outlined some of the significant challenges encountered by PICTs in public health. The region has a range of complex public health problems and its capacity to respond is limited. Health determinants, risk factors, and morbidity and mortality patterns are changing rapidly, while delivery of health services and provision of health care is becoming more difficult and expensive. Health systems are struggling to meet changing needs and expectations. The cost of services is high and investment in strengthening health systems is too low in most countries. The shortage of skilled health care workers is the most persistent problem, with inadequate numbers of trained workers, and migration within and from the region. Better planning and incentives and increased opportunities can help improve the situation. Funding of health systems is also a problem, as the proportion of GDP dedicated to health is often below the benchmark needed to maintain sustainable primary health care services and systems. Suggestions and possible directions outlined by the PHP Manager included strengthening health systems and their management, as well as the workforce. With respect to communicable diseases, countries must quickly develop and test plans to respond to emerging outbreak-prone diseases, such as avian and pandemic influenza. In the area of non-communicable diseases (NCDs), multi-sectoral strategies must address factors that are modifiable, such as tobacco use, excessive consumption of alcohol, lack of physical activity and poor nutrition. Environmental health and health issues related to climate change require the attention of leaders. Systems must be enhanced at the national level. SPC joint country strategies can also provide a health framework. The Brussels declaration and framework for action by ACP Ministers of Health (26 October 2007), the Vanuatu Commitment (March 2007) and the 'Framework of Priorities in Health for the Pacific' (evolving from the Pacific Plan and developed jointly between SPC and WHO) can all provide directions in health financing. In particular, the Framework of Priorities for Health in the Pacific will assist in

aligning regional and national programmes and match funding with national priorities and processes. It has the potential to greatly improve overall health outcomes for all Pacific people by supporting national priorities in health and strengthening individual efforts to mobilise resources. In addition, the health sector must cooperate with non-health sectors, such as agriculture and education, that influence determinants of health and foster partnerships with these sectors. The Pacific region is one area in the world where regional coordination and implementation have been shown to add value to national systems. (For the full text of the presentation, see CRGA Paper 3.5.)

152. The Chair thanked Dr Jubeau for his presentation and invited comments.

153. The representative of New Zealand welcomed the whole-of-sector approach to health and supported SPC's efforts to promote donor harmonisation, noting progress on the MOU with WHO. This MOU reflected the complementarity of the efforts of WHO and SPC. She also acknowledged the development of a framework with WHO on NCDs. She asked how the US proposal to provide diabetes assistance for the region would align with the NCD framework for the region and also supported the development of the Framework of Priorities for Health in the Pacific, which had the potential to strengthen national planning.

154. The representative of the United States thanked SPC for its excellent work in public health. She said the United States Department of Health and Human Services would hold a summit on diabetes prevention in the Pacific region and was interested in working with partners to shape the agenda and in finding out what PICTs themselves wanted to include.

155. The representative of Kiribati said the health sector consumed a large proportion of the national budget. She thanked SPC for its assistance in addressing health challenges, particularly TB and NCDs. She said a whole-of-government and whole-of-community approach was needed to achieve better health outcomes and appreciated SPC's efforts to build partnerships with WHO, UNFPA and other agencies.

156. The representative of PNG said health system strengthening was important, particularly in relation to health care workers, who made the system work. There had been several strikes in PNG over non-payment of health staff and it was important to look at their conditions. There was also a need for greater donor harmonisation. For example, AusAID and APEC were both involved in health in PNG and harmonisation was necessary to ensure effective delivery of services.

157. The representative of Niue said that a pandemic influenza training exercise would be conducted in Niue next week in conjunction with New Zealand, WHO and SPC. He thanked SPC for the work being done to advance this very important activity.

158. The representative of Samoa supported the priorities outlined for public health in the region and thanked SPC for the technical assistance it provided, especially through the Global Fund. He noted SPC's regional approach to adolescent health and development and the proposed subregional centres for HIV and AIDS. He said some regions were more affected than others and the establishment of the subregions should reflect this. He asked what SPC's future role was with regard to the International Health Regulations (IHR).

159. The representative of Tokelau asked SPC to work closely with Tokelau to develop NCD programmes and supported SPC's collaboration with WHO on the development of an NCD framework.

160. The representative of Australia welcomed efforts to promote donor harmonisation, especially the development by SPC and WHO of a joint framework to address NCDs, and also progress on the Framework of Priorities for Health in the Pacific. The representative noted that there had been little mention of work on HIV and AIDS. Australia considered health systems strengthening very important and this was one of the main themes of its own health strategy. There was a need to strengthen systems relating specifically to health care workers. National systems could be strengthened by regional approaches and national governments needed to take a lead in this area.

161. In responding to comments, Dr Jubeau noted that activities on HIV and AIDS had been presented in the report on SPC's Public Health Programme (PHP). Tokelau's JCS emphasised NCD prevention and an

NCD project would be developed shortly. SPC and WHO would visit Tokelau to work on its development. He said other details of PHP had been covered in the overview of the Social Resources Division's activities. Decentralisation of PHP to Suva and Pohnpei was planned. Different projects would be developed for subregions and individual countries, which all had different needs. PHP worked with other SPC programmes, e.g. on the health surveys carried out by the Statistics and Demography Programme, and was keen to collaborate with other sectors on health determinants such as housing and education. He said it was important for Pacific health to develop common plans on common objectives through partnerships. A roundtable meeting of all development partners was to be held in Nadi shortly to discuss harmonisation of HIV and AIDS activities.

162. The Director-General said that PHP's budget now included provision for direct assistance to members, with SPC acting as a channel for funding to countries. In relation to IHR, he said WHO was responsible for the reporting process; SPC supplied information to WHO in areas where it collected information. It was hoped to have the MOU with WHO in place early next year. The development of the joint framework on NCDs had paved the way for further joint action.

DECISIONS

163. CRGA:

- i. noted the importance of effectively addressing existing and emerging health challenges in PICTs;
- ii. further noted the importance of addressing major determinants of health that are outside the health sector to achieve better health outcomes;
- iii. acknowledged the importance of implementing a 'whole of government and community' approach in improving the health status of populations in PICTs; and
- iv. agreed to recommend to the Fifth Conference of the Pacific Community that it endorse the work aimed at developing a 'Framework of Priorities for Health in the Pacific' and potential financing mechanisms that could support such a framework, with an emphasis on addressing national priorities.

AGENDA ITEM 3.6 – OUTCOMES OF THE PACIFIC YOUTH MAPPING EXERCISE

164. The SPC Youth Development Adviser, Mr Tangata Vainerere, presented the outcomes of the Pacific Youth Mapping Exercise (PYME). At the 2006 CRGA, the Human Development Programme (HDP), as part of its focus on strategic engagement at the regional and international level, was charged with responsibility for conducting a regional mapping exercise on 'youth challenges' as one of its priority activities for 2007. Early this year, HDP commenced PYME with the support of UNICEF Pacific, UNFPA, the Commonwealth Youth Programme South Pacific Centre and the Pacific Youth Council, working in partnership with the youth sectors of 22 PICTs and other key stakeholders supporting youth programmes in the region, including regional and international agencies and development partners. Preliminary findings of the exercise indicate that employment, health and education remain the key areas of concern for the majority. Barriers and challenges include lack of youth engagement, participation and representation; gaps in programme delivery; lack of monitoring and evaluation activities; resource considerations; lack of communication and coordination; and limited capacity and resources to implement national youth policies. As a way forward, the Youth Development Adviser proposed that an integrated multi-stakeholder coordination framework for responding to the findings of the mapping be developed. The framework needs to be based on the mapping results, the recommendations made during the regional stakeholders consultation meeting held in Cook Islands in September 2007, and the extensive consultations shortly to be commenced on the design concept for such a framework. It is anticipated that the framework will be a key agenda item at the youth stakeholders coordination meeting to be convened by HDP in March 2008.

165. The representative of French Polynesia expressed appreciation to the Youth Development Adviser for his interesting and lively presentation. He noted that youth and health issues are among the region's greatest

challenges, said he had read the report with great interest, commended SPC's commitment in the field of youth, and welcomed the mapping exercise. He asked for clarification regarding why the Pacific Youth Festival and the 1st Youth Charter had not been mentioned. He noted that French Polynesia fully supported the targets that were presented here, but inquired how elements such as the Youth Charter would be taken into account by the mapping exercise.

166. The representative of Tokelau expressed appreciation to the Youth Development Adviser for his presentation and the mapping exercise. She noted that Tokelau's national youth policy needed to be updated and strengthened, and said that Tokelau was liaising with UNDP and working toward holding a youth parliamentary meeting in 2008. She noted the need to build and develop young leaders, and said that Tokelau continues to look to SPC to support its youth.

167. The representative of Samoa noted the progress made with the mapping exercise, and described a joint programme under way in Samoa involving UN agencies, the government and other donors in development of youth strategies.

168. The representative of Kiribati thanked the Youth Development Adviser for his enthusiasm and passion. She commended the work being done by SPC in assisting members to address challenges facing youth, and expressed appreciation for the work that had gone into Kiribati's national youth policy. She noted that there was little room in national budgets for youth concerns, but said she continued to stress the importance of the issues with her government. She supported the recommendations proposed by the Secretariat.

169. The Youth Development Adviser noted that there were a number of regional benchmarks that had been used in the mapping exercise, including the Pacific Youth Charter. He said that the final report on the mapping would make this clear. He said that the Youth Festival had been incorporated into HDP, with the next festival scheduled for 2009 in Fiji. He noted that SPC's joint country strategies would be key guides for how HDP responded at the country level, and for monitoring and evaluation.

DECISIONS

170. CRGA noted the progress of the Pacific Youth Mapping Exercise, and further noted that the detailed research report, once finalised following further consultations, would be presented on the YouthLINK Pasifika website hosted by HDP.

171. CRGA agreed to recommend to the Fifth Conference of the Pacific Community that it:

- i. direct the Secretariat to coordinate the development of a 'Framework of Priorities for Youth in the Pacific' following the completion of the mapping exercise and in consultation with other stakeholders; and
- ii. endorse the development of an integrated multi-stakeholder coordination framework for responding to the findings of the mapping, as a way forward.

AGENDA ITEM 3.7 – AGRICULTURE AND FORESTRY – PARTICIPATORY AND INTEGRATED APPROACHES TO DEVELOPMENT AND MANAGEMENT

172. Dr Stephen Hazelman, Coordinator – Information, Communication and Extension (LRD), presented an overview of the structure of the Land Resources Division. He alluded to two LRD activities based on participatory and integrated approaches to development and management: the EU-funded Development of Sustainable Agriculture in the Pacific (DSAP) project, and the German Government/GTZ-funded Drawa model area for natural resources management. These are two key LRD initiatives directly impacting grassroots people through the strength of active participation by stakeholders. The two projects define a clear direction for the Division in maximising the impact of its research and development activities at the grassroots level. Through these initiatives, LRD is championing the empowerment of stakeholders to determine their own destinies as key to successful implementation of country programmes, and for

institutionalising community-based sustainable natural resource management.

173. DSAP Team Leader Dr Siosaua Halavatau presented the DSAP project, which aims to empower farmers and communities through their participation in project identification, implementation, monitoring and evaluation. He presented the philosophy, and concrete examples of the technology used in the project. Some of the projects and technologies that are being tested on farms, based on country priorities, are the evaluation of the legume *Mucuna* as a cover crop, use of the bucket irrigation system, and promotion of vegetable production in villages and schools. Other projects and technologies are the introduction of new varieties and germplasm, improved smallholder livestock production, simple composting methods, the establishment of seed banks, soil fertility improvement, the promotion of soil conservation methods for hilly areas, the use of plant-derived pesticides, improved taro production, and the introduction of wild varieties of traditional crops. The project has created opportunities for the participation of women and youth in technology development and income generation. This approach of putting rural communities in the driver's seat of agricultural research and extension is new thinking that is readily adopted; the innovations that result from the process are gains for the innovators, who are the communities themselves.

174. Mr Macus Francisco talked about the positive difference DSAP had made to him as a farmer and to the local farming community in FSM by introducing them to sustainable agriculture. With the assistance of DSAP and other local partners and agencies, he had been able to extend his farming area, build a nursery, use new composting methods, increase seedling numbers, produce his own seeds, use improved plant spacing methods, obtain better yield results for cucumbers and other vegetables, and plant new varieties of taro. As a result, his livelihood has improved, his children have a more balanced diet that includes a variety of vegetables, his wife has become a full-time commercial farmer, and he has become the Secretary of the newly established Pohnpei Farmers Association. He has moved from subsistence agriculture to commercial farming, and is looking at the possibility of exporting produce to Guam and the Marshall Islands. In conclusion, he requested possible donors to consider providing assistance for the conducting of an agriculture census.

175. LRD's Community Forestry Specialist, Mr Jalesi Mateboto, briefly presented the German Government/GTZ Forestry Project. This is a joint project of SPC and the Federal Government of Germany. It is one of the two main components of the LRD Forestry Programme, and focuses on sustainable forest and land management. The project has been in existence since 1994 and will be phasing out in December 2008.

176. Mr Vilimone Qolitabua, a landowner from Drawa in Fiji, presented on the Drawa area and the German Government/GTZ-funded Drawa model area for natural resources management. The Drawa block on Vanua Levu, in Fiji, consists of six villages and 11 landowning units, covering 6,345 hectares. It has 500 direct beneficiaries, who have formed their own timber company. The Fiji-based Drawa model for community-based sustainable natural resource management has been described by partners as 'a successful example of community-based natural resource management', with most stakeholders considering it 'worthy of replication'. The Drawa model promotes a participatory approach to community-based management, where landowners are capacitated to develop and implement a sustainable management regime for their forest resources. LRD facilitates activities in the Drawa area in collaboration with government counterparts. The most positive aspects of the project are increased community capacity, improved infrastructure, increased landowner participation in the timber business, improved housing, diversification of agriculture products, acquisition of traditional taro varieties, improved sanitation and water supply, and better income. Mr Qolitabua was a farmer when the project started and is now a qualified forestry officer.

177. The Chairperson thanked the presenters, and noted that they had presented research that exemplified applied field research undertaken for the well-being of the community.

178. The representative of the Federated States of Micronesia thanked the presenters and conveyed FSM's appreciation for the DSAP programme. He also noted that FSM was formally seeking technical assistance with its agricultural census. He noted that such support would enable farmers to achieve the maximum amount possible.

179. The representative of Samoa acknowledged the presenters and the very successful farmers. He noted

that their successes were very much in line with his vision for agriculture to be seen as a business. He said that unemployment had been discussed as a pressing issue in the region, and the presentations provided an example of how it was possible to move forward with agriculture. He voiced support for the programme, and suggested that it could perhaps be expanded at a facilitator level within PICTs so that similar presentations could be delivered at the national level.

180. The representative of Tokelau noted that the farmers had made real differences in the lives of people. She said that Tokelau faced real challenges with agriculture and currently imported large quantities of food. She said Tokelau looked forward to the DSAP team's support for a farm trial.

181. The representative of Kiribati expressed thanks to LRD and the presenters from Fiji and FSM for their very powerful presentations, which she noted were encouraging in showing that it was possible to grow crops in sandy atoll soil. She stated her view that the joint country strategies would form the basis for expanded work in agriculture, including in atoll countries.

182. The representative of Fiji affirmed that the presentations had illustrated what was happening on the ground, and served to highlight what really matters to Pacific peoples.

183. The representative of Papua New Guinea added his thanks and commendation to LRD. He stressed that the success that had been achieved used simple, appropriate technology with no extra costs.

184. The Director-General noted that SPC wished to share the credit for its accomplishments with the many donors and partners that had contributed, which included the EU, the German Government, Australia, New Zealand, France and others.

DECISIONS

185. CRGA:

- i. thanked the Land Resources Division for its lively and interesting presentation of the EU-funded Development of Sustainable Agriculture in the Pacific project, and the German Government/GTZ-funded Drawa model area for natural resources management;
- ii. commended these two agriculture and forestry projects as successful examples of participatory and integrated approaches to development and management;
- iii. thanked the Secretary of the Pohnpei Farmers Association and the representative of the Drawa block landowning communities for sharing with CRGA members the positive impacts on and transformation of their communities as a result of the two participatory projects coordinated by LRD; and
- iv. agreed to recommend to the Fifth Conference of the Pacific Community that it reaffirm the importance of participatory and integrated approaches to development and management in the work of the Land Resources Division and SPC in general.

AGENDA ITEM 3.8 – DECENTRALISATION OF SPC SERVICES – HOST COUNTRY/TERRITORY AGREEMENTS AND RESPONSIBILITIES

186. The Director-General, noted that SPC had fulfilled the instructions given by Conference in 2005 to decentralise SPC's operations beyond the two main offices in New Caledonia and Fiji. He noted that having a standard 'Host Country/Territory Agreement' in place would greatly facilitate the provision of regional services at the national level, and would expedite the coordination and implementation of the joint country strategies. He indicated that the 'host country' responsibilities of countries/territories hosting SPC offices, programmes or services constituted an important part of the success of a decentralised service, with outcomes very much dependent on the support received by the decentralised programmes/activities from the host government. He indicated that the Secretariat was seeking agreement from CRGA to develop, in consultation with members, a standard agreement that SPC would seek to present to CRGA 38.

187. CRGA members discussed and raised a number of points in relation to the proposal put forward by the Secretariat. Viewpoints expressed included:

- agreements relating to SPC operations or programmes could possibly take the form of MOUs or similar, limited agreements;
- although SPC might not establish permanent offices in all or most member countries and territories, broader SPC-member agreements were needed in order to facilitate long-term work programmes, as were now being agreed to with countries through JCS;
- potential cost savings and other advantages might be realised through establishment of shared offices with other CROP organisations;
- it would be beneficial to have whole-of-government agreements rather than discrete agreements with specific ministries; and
- countries benefited from SPC services, and should therefore accord SPC special privileges to facilitate implementation of these services rather than simply to benefit staff.

188. Members sought clarification on several points, including:

- the need to clarify the difference, in terms of the Secretariat's needs with respect to member/SPC agreements, between host countries with permanent offices (as represented by New Caledonia, Fiji and FSM), and countries in which SPC was conducting a programme or project;
- examples of problems that SPC currently experienced as a result of not having such agreements in place with members;
- whether development of a model or standard agreement would impact the three existing host country agreements that SPC had with members;
- whether it was possible to modify the Canberra Agreement as the overarching agreement, rather than develop new separate agreements that might require extensive negotiation with individual members;
- the resource and funding implications of decentralisation;
- the need for a regulatory framework for working in a particular country when materials or equipment were imported or employees were hired; and
- if there was no formal agreement between a country and SPC, how that country could justify granting SPC special privileges, such as tax-free importation of materials or equipment.

189. The Director-General noted that the Secretariat planned to hold regular formal consultations with the three main host countries/territories. He said that the existing host country agreements would serve as the basis for developing a possible standard agreement for the future, but that these signed agreements would not necessarily be affected. He noted that the Canberra Agreement was very complex, and that past efforts to amend it had not been successful and had led to the adoption by Conference of the Declaration de Tahiti Nui. He noted that there were discussions under way with Papua New Guinea and Solomon Islands regarding the establishment of in-country offices, but suggested that these were relatively unusual cases. He indicated that SPC would look very carefully at the cost implications of any further decentralisation, emphasising that it would be undertaken only when it enhanced SPC's ability to deliver services to its members. He indicated that agreements between members and SPC were needed to facilitate implementation of projects and programmes, especially hiring of staff and procurement of equipment.

DECISIONS

190. Concerning the decentralisation of SPC services, CRGA noted:
- i. the progress made to date, whereby SPC has a longer-term physical presence (with offices or officers placed in-country) in 17 of its 22 island members; and
 - ii. that SPC would continue to explore cost-effective ways of moving services closer to people through various forms of decentralisation, in line with Conference's direction to the Secretariat.
191. Regarding proposed island member country/territory agreements and responsibilities, CRGA:
- i. noted the desirability of having appropriate formal understandings with the member countries and territories in which SPC has a longer-term physical presence, to facilitate matters such as the import of goods and arrangements for the placement of staff; and
 - ii. recommended to the Fifth Conference of the Pacific Community that it direct the Secretariat to develop options for such agreements for discussion with individual member countries and territories, as required.
192. CRGA further agreed to recommend to Conference that it support the proposal by the Secretariat to develop a draft 'Host Country/Territory Agreement', to be presented to CRGA 38 for consideration and approval.

AGENDA ITEM 3.9 – OFFICE AND STAFF ACCOMMODATION – NOUMEA, SUVA, POHNPEI AND OTHER LOCATIONS

193. The Director-General said good progress has been made in consultations between the Secretariat and the three host countries (New Caledonia, Fiji and Federated States of Micronesia) during 2007 to address office and staff accommodation and electronic communication issues. He said that at Noumea headquarters, the most pressing issue requiring government assistance was staff housing. Office accommodation was also near full capacity, but the Secretariat should be able to manage for at least the next year. The Fiji Government had provided more office space close to SPC's current premises in Nabua. SPC had access to two floors of an office complex and would shift to one floor before the end of 2007 and to the other early in 2008. The Fiji housing market was still competitive but adequate housing was available. The office at Pohnpei was adequate for SPC's current staff. However, the planned expansion of staffing at the Pohnpei regional office would require a larger office. Housing for staff was a particular challenge in Pohnpei, though the FSM Government had been fairly positive about finding solutions. A major challenge for the Pohnpei office was the very limited bandwidth for electronic communication. As a regional office of SPC, it required large bandwidth, including for videoconferencing and for the new finance system that was being introduced in January 2008. The SkyEdge VSAT Pacific RICS project, which SPC was currently coordinating, could be used to increase the bandwidth available. SPC needed to have the system in place before January 2008, but first required the approval of the FSM Government. The Director-General noted that in countries where SPC did not have official offices, sectoral ministries provided office space and staff found their own accommodation with housing benefits provided where relevant.

194. The Chair thanked the Director-General for his presentation and invited comments.

195. The representative of New Caledonia said that her government was aware of SPC's difficulties in finding suitable residential accommodation in Noumea. The New Caledonia Government was very supportive of SPC and its presence and was ready to work to find solutions. To this end, it proposed a meeting in December between the New Caledonia Government, New Caledonia Estates Committee, Noumea city authorities and SPC.

196. The representative of Fiji said that she was happy to confirm the availability of additional office space for SPC. Based on current rental costs, the provision of the two floors would cost the Fiji Government FJD 400,000 per annum, which was a considerable commitment. In regards to the Pacific Village, she said the

Fiji Government was still committed to the project but it was some years away. The prime waterfront property originally designated for the Pacific Village was still available. However, it was 10 years since concept plans had been drafted, and given the growing needs of regional organisations, there would be further consultation with them on their requirements. The last estimate for the project was FJD 65 million. This included a fully equipped convention centre with space for 600 people. Given the rising costs of the Pacific Village, Fiji would be pleased to discuss any offers of a funding partnership. She hoped that there would be some progress to report at the next CRGA meeting.

197. The representative of the Federated States of Micronesia said the FSM Government recognised the challenges facing the Pohnpei office and would either construct a new office building or look for suitable existing accommodation. In regard to staff housing, he said the FSM Government would do its best to help staff find suitable accommodation. He strongly supported the recommendation relating to improved communication capability for the Pohnpei office and asked for time to consult with the relevant authority. He also noted that FSM would be interested in learning from Fiji's experience with the Pacific Village, as FSM planned to construct a similar facility in Pohnpei to house SPC and other regional organisations and agencies.

198. The Director-General thanked the three host countries for the information they had provided and for their commitment to meeting SPC's accommodation needs. He noted FSM's plans to build a complex to accommodate all agencies. He also noted that the large international conference facility proposed by Fiji would be owned by the Fiji Government but would include suitable rooms for smaller meetings of regional organisations. These organisations would be given rights to the use of the facility.

DECISIONS

199. CRGA agreed to recommend to the Fifth Conference of the Pacific Community that it:

- i. note the progress made by the Secretariat and the host governments of the three official SPC offices in addressing the office and staff accommodation needs of SPC at the three locations;
- ii. note the commitment by the three host governments to continue to assist in meeting SPC's office space and staff accommodation requirements in the three locations;
- iii. thank the Government of Fiji for the provision of office accommodation in Nabua, Suva, and encourage Fiji to continue to expedite the implementation of the Pacific Village project to address the longer-term office requirements for SPC in Fiji;
- iv. note the current arrangements in accommodating SPC-executed programmes in other member countries and territories;
- v. note the update from the representative from Fiji on the status of the Pacific Village project, and FSM's interest in pursuing a similar project; and
- vi. endorse the request from the Secretariat to the Government of FSM to favourably consider and approve the use by SPC of SkyEdge VSAT Pacific RICS to increase the bandwidth available to the Pohnpei regional office to facilitate video conferencing capability.

AGENDA ITEM 3.10 – REGIONAL INSTITUTIONAL FRAMEWORK INITIATIVE

200. The Director-General noted that Pacific Islands Forum Leaders had agreed on a regional institutional arrangement that included the Forum Fisheries Agency (FFA) in Pillar 1 with the Pacific Islands Forum Secretariat (PIFS). The Pacific Islands Applied Geoscience Commission (SOPAC), SPC, SPREP and SPBEA remained in Pillar 2, but the functions of SOPAC would be rationalised with and absorbed into the work programmes of SPC and SPREP, and SPBEA would be merged into SPC. The University of the South Pacific (USP) and Fiji School of Medicine would form part of Pillar 3 (Education). He said it was generally

understood that each governing body would need to consider the recommendations of the RIF review team and the decisions taken by other governing bodies on the issue. Therefore, CRGA 37 and the 5th Conference of the Pacific Community must now consider the decision taken by Forum Leaders. Depending on the outcome of this consideration, Conference may decide to direct the Director-General, pending the decisions of the other governing bodies, to consult with the directors of SOPAC, SPREP and SPBEA to map out a plan to implement the new institutional arrangements for Pillar 2 organisations. The Director-General noted that he had already had preliminary consultations with the directors of SPBEA and SOPAC. Since the Forum meeting, the three organisations had shared with each other the papers being presented to their governing bodies on this topic. All three secretariats were recommending that their governing bodies consider the decision of the Forum Leaders positively and establish a time frame for its implementation. He noted that SPREP's governing council had already met. He also noted that he had just received a letter from the Secretary-General of PIFS, who had to report back to Forum Leaders on progress on the issue at the 2008 Forum meeting in Niue. The way forward from the PIFS Secretary-General's perspective was for the directors of SPC and SPBEA to work together to develop an agreed strategy for presentation to their governing councils. In the letter, he also offered to facilitate a meeting between SPC, SPREP and SOPAC to achieve implementation of the decision. The Director-General said that all three bodies wanted to find ways of making the decision work and he sought the guidance of the meeting on a way forward. (For the full text of the presentation, see CRGA paper 3.10, which is available from the Secretariat.)

201. The Deputy Director of SOPAC, Mr Bhaskar Rao, thanked the Director-General for circulating his paper in advance to SOPAC, SPREP and SPBEA. He stated that SOPAC approached the concept of RIF as an issue that was primarily for SOPAC's governing council to determine; SOPAC's role had been to provide relevant information to the council membership, and it had developed a paper providing its council with an overview. He noted that the organisation was prepared to rise to the challenge of the Leaders' decision. He said the decision had been unexpected as it had not been discussed during the RIF process, especially in terms of how it would result in improved service delivery. He noted that he was glad to be able to observe CRGA's discussions of the issue. He said that SOPAC's council would meet in two weeks and would discuss SOPAC's paper on the issue – which suggests development of a consultative process whereby a subcommittee of the council and SOPAC's Director examine the process and the implications for all three organisations – at that time. He said that the council would then invite involvement by SPREP's council and CRGA, with a view to responding positively to the Forum Leaders' decision. He emphasised the need to ensure that service delivery to members was improved as a result of any actions that were taken.

202. The Director of SPREP, Mr Asterio Takesy, thanked CRGA for the opportunity to address the meeting. He noted with respect the decision of the Forum Leaders, and said that SPREP was awaiting instructions and advice from its governing council; following that, SPREP would proceed to make the necessary arrangements to effect the council's decision. He said that although this process might appear convoluted, it was the only way forward as SPREP is legally constituted by treaty and only those parties who are members to the treaty can make a change in the membership and structure. He noted that it would be important to take steps to ensure that the services of the respective organisations were not disrupted, and that the morale of staff and the confidence of donors and members were maintained. He expressed appreciation to all the organisations involved for providing the documents that would assist SPREP's council in its decision-making. He said that from SPREP's point of view, he welcomed the effort to move in a positive direction, and that while change could be viewed with fear, it could also be a means to improve the services that regional organisations have pledged and are mandated to deliver. He said SPREP would assist its members to come to a decision that they could support, and which benefited them. He noted that SPREP's council would next meet in September 2008.

203. The representative of Papua New Guinea noted his role in the RIF process, described the long deliberative process that had taken place, and observed that the decision had been made by the Forum Leaders somewhat independently of that process. He suggested that the directors of the CROP organisations involved were best placed to provide information on the impacts of the Forum decision.

204. The representative of Samoa stated that it was important to accept the Forum Leaders' decision and to focus on what the implications of the decision were for SPC. He posed the question of whether SPC would

absorb some of SOPAC's programmes, as was being proposed. He noted that CRGA should assess this question honestly and report its findings back to the Forum.

205. The representative of Kiribati echoed the comments made by her colleague from Samoa regarding the need to look at how SPC could move to implement the recommendations made by the Forum.

206. The representative of Australia stated that those countries that were members of the Forum had already made decisions regarding RIF, which were not open to being re-debated. Their need was thus to determine how the decision could be implemented. She said that it was important to ensure that the organisations moved ahead in a way that respected and acknowledged the functions that had been carried out by SPBEA and SOPAC. She noted, however, that not all SPC members were also Forum members, and stated that they were in a different position as they had not been party to the Forum Leaders' decision. She acknowledged the offer by the Secretary-General of PIFS to serve as a facilitator for discussions between the affected organisations, and said Australia saw this as a very appropriate role. She observed that it was very important to move forward on the decision in a timely fashion. She also noted the importance of enhanced coordination between FFA and SPC, and suggested that the directors of the affected organisations were best placed to provide information regarding the implications of the Forum Leaders' decision.

207. The representative of Tonga endorsed the proposal that SPC examine how to move forward to implement the decision made by the Forum Leaders.

208. The representative of the United States noted that his country was not a member of the Forum, and thus had not been party to their decision. He said that the United States supported efforts to improve the efficiency of service delivery, but was concerned that CRGA lacked the needed background information to properly evaluate the implications of the proposed organisational restructuring that the committee was being asked to endorse. He noted that the Forum's decision to assign SOPAC's functions to SPC and SPREP had come as a surprise, and that the United States had passed its concerns to the RIF task force. He noted the need for information on the impacts of such an organisational restructuring, including the impact on assessed member contributions. He said that the United States considered many of SOPAC's functions and programmes to be highly valuable. He noted that the United States was seeking a proposal detailing the implications of amalgamation, and that this should be provided to members prior to their being asked to endorse the restructuring.

209. The representative of Solomon Islands noted the decision made by Forum Leaders, but agreed on the need to receive opinions from non-Forum members of the affected organisations.

210. The representative of New Zealand noted the need to have a transparent process for taking the Forum Leaders' decision forward, one guided by a set of principles (e.g. transparency, cost-effectiveness and accountability). She noted the need also to ensure that any actions taken resulted in improved service delivery and assisted with implementation of the Pacific Plan. She said that this would be a significant process involving real changes, and there might be some disruption of service delivery during implementation. She noted the need for timely implementation, and inquired if there was any means by which SPREP's governing council could engage with the issue prior to their next scheduled meeting in September 2008.

211. The representative of Fiji noted that members lacked information regarding how the Forum Leaders' decision was to be implemented or how SPC would move forward. She noted that what might be needed was an implementation plan that would be brought before CRGA 38 for endorsement.

212. The representative of France stated that France, similar to the United States, was not a member of the Forum, but that his country had nevertheless been included in the RIF task force. He noted that France could not overlook the decision by Forum Leaders on RIF, and respected the decision, which now needed to be implemented. The most natural way of achieving this was to open negotiations between SPC, SPREP and SOPAC, which the Forum communiqué urged should begin without delay. He noted that the arrangements for merging SPBEA into SPC and for the partial merger of SOPAC and SPC would naturally impact SPC, and such impacts would need to be explored by the heads of the three agencies, with a decision made at the

appropriate level (by the directors or the governing bodies). He observed that the mergers would affect SPC's members, who would have to make their own judgements on the issue. He said France was prepared to consider the various administrative and financial consequences of extending SPC's activities into new areas, and that France was of the opinion that the implications needed to be given detailed consideration and no automatic formula could be applied. He stated that France would give careful consideration to the financial consequences of extending the scope of bilingualism. He concluded by supporting a rapid commencement of consultations, noting that he did not see the need to approach governing bodies for their approval.

213. The representative of Pitcairn noted that Pitcairn had been pleased to be a member of RIF and supported efforts to find a positive way to implement the Forum Leaders' decision.

214. The representative of French Polynesia noted that an assessment of the financial consequences was needed, stating that CRGA Paper 3.10 lacked this information. He stressed the need for information on timing, approaches and costs associated with the reorganisation.

215. The representative of Tokelau noted that although it was not a Forum member, Tokelau nevertheless wished to support the Leaders' decision. However, Tokelau wanted information on how the decision would affect delivery of services from CROP organisations. He noted concerns regarding current relationships between CROP agencies.

216. The Director-General thanked his colleagues from SPREP and SOPAC for informing the meeting. He noted that he anticipated enhanced collaboration with FFA as a result of the Forum Leaders' decision. He briefly described the process proposed by the Secretary-General of PIFS, which the latter would facilitate. He also noted that the heads of CROP would discuss the issues at a meeting in early 2008. He said that SPC sought an initial endorsement of the overall direction from its members, which would be followed by an engagement by the directors of the affected organisations, who would deliver their findings back to their governing councils. He also indicated that although SPC was confident it could absorb new programmes, the challenge was to ensure that this would achieve better results, which would involve steps such as the development of actual cost estimates. He noted that consultations between the organisations should be guided by the types of principles outlined by the representative of New Zealand, and that the details regarding implementation of the Forum Leaders' decision would be worked out in the course of the next year.

217. The Director of SPREP indicated that there were no mechanisms in place that would allow for a special meeting of SPREP's governing council, and said that there were also cost implications in calling a special session. He noted that SPREP included 25 of SPC's 26 members, and said that should allow for some informal discussions to take place on the issue.

DECISIONS:

218. CRGA agreed to recommend to the Fifth Conference of the Pacific Community that it:

- i. note the decision taken by the Pacific Islands Forum Leaders on their preferred institutional arrangement for the Forum Fisheries Agency, Secretariat of the Pacific Islands Applied Geoscience Commission (SOPAC), South Pacific Board for Educational Assessment (SPBEA), SPC and the Secretariat of the Pacific Regional Environment Programme (SPREP);
- ii. endorse the position taken by PIF Leaders as the basis for a detailed draft roadmap for the consideration of CRGA 38, while recognising that although the United States and American Samoa supported the goal of improving coordination, efficiency and service delivery, they were not able to endorse the position taken by PIF Leaders without additional information concerning the proposal's implementation and associated implications;

- iii. note that the matter would also be considered by the governing bodies of SOPAC, SPBEA and SPREP;
- iv. accept the offer by the Secretary-General of the Pacific Islands Forum Secretariat to facilitate consultations between the CEOs of the four organisations concerned, including appropriate involvement of member representatives, development partners and other CROP agencies, and recommend that the discussions between the CEOs be usefully guided by a set of principles. Such principles could include:
 - a) transparency and timeliness with respect to the process, and effective involvement of stakeholders;
 - b) cost-effectiveness;
 - c) a focus on the RIF objective of creating an institutional framework that further improves service delivery to PICTs and assists with the effective implementation of the Pacific Plan;
 - d) ensuring rational discussion of rationalisation of SOPAC functions into SPREP and SPC; and
 - e) the need to address the full range of legal, organisational, administrative, governance, membership and financial implications;
- v. instruct the Director-General to work closely with the CEOs of the three organisations to map out a draft plan to implement the institutional arrangements outlined by leaders for Pillar 2 organisation and to present the plan to CRGA 38;
- vi. note the intention of the Secretariat to involve the membership at various stages of the development of the roadmap through provision of regular updates; and
- vii. request the Director-General to consult with the Director of the Forum Fisheries Agency concerning the implementation of recommendation A of the Forum Leaders' decision, calling for 'the inclusion of the Pacific Islands Forum Fisheries Agency into Pillar 1, in order to recognise the Agency's central regional role and to provide fisheries issues with the political profile they require'.

AGENDA ITEM 4 – STRATEGIC ENGAGEMENT AT NATIONAL, REGIONAL AND INTERNATIONAL LEVELS

AGENDA ITEM 4.1 – KEY COLLABORATIVE INITIATIVES

219. The Director-General presented examples of key collaborative initiatives that SPC was involved in during 2007, noting that SPC's ability to deliver high-quality services to its members was influenced to a large extent by its vision, the partnerships it formed and the level of resources it could mobilise. He said that forming strategic partnerships at national, regional and international levels enabled SPC to achieve far greater benefits for members, and strategic engagement efforts in 2007 had unlocked new opportunities and resources. He outlined joint collaborative initiatives with SPC members; CROP agencies; UN agencies; national, regional and international stakeholders and organisations; development partners; and the private sector. At the national level, the process of developing joint country strategies had been highly participatory, enhancing national ownership of the initiatives agreed to. With regard to CROP agencies, in 2007 SPC had focused mostly on collaborative initiatives with PIFS and FFA. At the regional level SPC had participated in two broader initiatives, the Pacific Plan and the RIF review. SPC worked in close cooperation with PPAC and was leading initiatives in transport (SIS shipping services), information technology and communication (Pacific RICS, the submarine cable and OLPC), fisheries (tuna tagging, aquaculture and management of coastal/inshore fisheries), agriculture (development of policies and initiatives based on national sustainable development strategies) and health (emphasis on NCDs and HIV and AIDS). In 2007 SPC convened a roundtable consultation with Suva-based United Nations agencies (UNDP, UNIFEM, UNFPA, UNICEF and WHO) to share information on programmes and discuss the potential for joint planning and programming. It was agreed to share SPC's joint country strategies as they were developed and UN country programme action plans to ensure harmonised approaches and activities. SPC and WHO would shortly sign a memorandum of understanding outlining their respective roles in regional health. Both organisations were

working towards a ‘two agencies, one team’ approach and they had formed a partnership to address NCDs in the region. In new initiatives, SPC would host the Joint Secretariat for the Pacific Parliamentary Assembly for Population and Development and the Forum Presiding Officers Conference, and the Regional Rights Resource Team. At the international level, SPC was involved in collaborative initiatives with the Global Fund, IMO, UNFF, FAO Committee on Fisheries and WCPFC. The Director-General noted that implementation of the Pacific Plan Digital Strategy had provided an opportunity for collaboration between SPC and the private sector (see CRGA Paper 3.2). He also noted that in 2007, SPC, Australia and New Zealand had held a trilateral consultation for the first time, which had been very successful. (For the full text of the presentation, see CRGA Paper 4.1, which is available from the Secretariat.)

DECISIONS

220. CRGA agreed to recommend to the Fifth Conference of the Pacific Community that it:

- i. note the Secretariat’s extensive efforts to enhance the benefits available to its members through increasing collaboration with other partners in many areas;
- ii. note the results of these collaborative initiatives as outlined in CRGA Paper 4.1; and
- iii. encourage the Secretariat to continue to pursue this strategy to further enhance regional cooperation and collaboration, with the objective of maximising the value to members of the services provided by SPC and other stakeholders.

AGENDA ITEM 4.2 – TAX SITUATION FOR FIJI NATIONALS WORKING AT SPC IN FIJI

221. The Director-General explained that in its 2006 budget session, the Government of Fiji had decided to apply income tax to its nationals working at SPC in Fiji. As a result of this decision, for the first time since the establishment of SPC’s office in Fiji, Fiji nationals would be required to pay income tax. The headquarters agreement between New Caledonia, France and SPC exempts French nationals from income tax. If Fiji applies income tax to its nationals working for SPC in Fiji, this would immediately create an anomaly that would affect the whole organisation, for reasons of equity between employees. The Director-General pointed out, however, that Fiji has the sovereign right to apply income tax to its nationals working for SPC in Fiji. The current tax exemption for Fiji nationals employed in Fiji was based on an agreement mentioned in a letter from the Office of the Prime Minister of Fiji dated 9 February 2001, although it has not been possible to find a copy of the agreement. This arrangement applies only to SPC, as Fiji nationals of other international agencies based in Fiji pay tax. This was being brought to the attention of CRGA by the Secretariat because if the tax is applied, SPC would have to adjust its budget to reflect the full taxable salaries of all Fiji nationals recruited under local conditions. The budgetary impact of this adjustment would be approximately FJD 370,000. The Secretariat had held a series of consultations with the Fiji Government, but to date little progress had been made. The Secretariat had requested the Government of Fiji to defer implementation to allow further time for consultation and to discuss different options. As there are provisions in the law for the Government of Fiji, through the Minister of Finance, to waive the income tax requirement when there is reasonable justification, it may be possible to request the Government of Fiji to consider waiving the income tax requirement. If the Fiji Government wishes to proceed with the application of income tax to its nationals, then the Secretariat and the Fiji Government should jointly agree on a timetable and a suitable mechanism for implementation of this decision.

222. The representative of Papua New Guinea noted that discussion of this issue was in line with previous CRGA discussion on host country agreements. He agreed that further consultations between the Secretariat and the Fiji Government on the taxation issue were necessary.

223. The representative of Fiji explained that discussions had already taken place between the Secretariat and the Fiji Government. The taxation decision had been made by Cabinet on the basis of equity between SPC and other organisations based in Fiji, as Fiji nationals of other international agencies based in Fiji paid tax; it would therefore be very difficult to grant a tax exemption to SPC, again for reasons of equity. The

question was now to decide on an implementation timetable. On the question of retrospectivity, CRGA was informed that the Fiji Inland Revenue and Customs Authority (FIRCA) had already agreed to no retrospective application from 2006.

224. The Director-General confirmed that consultations had taken place between the Secretariat and Fiji Government but explained that the Secretariat had not been able to put its case directly to FIRCA. However, the Ministry of Foreign Affairs had advised the Secretariat that it would try to organise a joint meeting soon, in order to arrive at a time for implementation.

225. The representative of New Zealand pointed out that the Secretariat's paper was suggesting options for revisiting the taxation issue, but that the interventions by the representative of Fiji and the Secretariat seemed to indicate that the situation had now shifted to agreeing on an actual implementation time. She asked for further clarification, indicating that the paper articulated valid reasons that could facilitate further discussions on tax exemptions.

226. The representative of the United States requested further information on how the taxation issue could affect member country contributions.

227. The representative of French Polynesia asked if the proposed income tax would affect all Fiji nationals working for SPC, even if they were not based in Fiji, and if it would affect internationally recruited staff as well as locally recruited staff. He pointed out that the host country agreement between New Caledonia and SPC had been renegotiated in 2003 to clarify outstanding issues. He therefore suggested that since the 1964 agreement between SPC and Fiji could not be found, SPC could negotiate a new host country agreement with the Government of Fiji.

228. The representative of Tonga regretted that a copy of the host country agreement mentioned in the 2001 letter from the Office of the Prime Minister of Fiji had not been found, as the terms of the agreement could have helped clarify the taxation issue. He pointed out that the Secretariat could, without challenging Cabinet processes, send a letter to officially request the Fiji Government to reconsider the decision, on the basis of the 1964 agreement mentioned by the Office of the Prime Minister.

229. The representative of Niue asked the Secretariat to clarify what the cost implications would be to member countries, should the Fiji Government decision stand.

230. The representative of Kiribati acknowledged that taxation of its nationals by a country was a sovereign issue. He also sought clarification from the Secretariat on the financial impact this could have on the SPC membership.

231. The representative of Papua New Guinea regretted that the 1964 host country agreement between Fiji and SPC could not be found, and placed on record that this was regrettable as it was a fundamental document.

232. The Director-General thanked the membership for sharing their views and concerns. He clarified that all Fiji nationals working at SPC in Fiji would be affected, regardless of whether they were recruited locally or internationally, but that Fiji nationals working outside Fiji would not be affected. He said that the taxation issue was a longstanding one that had been the subject of ongoing consultation between the Fiji Government and the Secretariat in past years. However, since Fiji nationals working at SPC in Fiji had never been taxed, there had been no urgency until the 2006 decision by Fiji Government. The Secretariat had already written to the Fiji Government a number of times on the issue and the Director-General indicated that it would be more effective if a letter came from the governing body of SPC. The Secretariat's preferred option was for the Government of Fiji to consider formalising the status quo through a waiver by the Minister of Finance. The Ministry of Foreign Affairs had indicated that this would prove extremely difficult. However, the Secretariat would like the opportunity to put its case directly to FIRCA in order to outline the reasons that the Secretariat feels could justify the waiver. The current tax exemption status of Fiji nationals working at SPC in Fiji was based on the 1964 host country agreement. Notwithstanding the fact that a copy of the agreement could not be found, the 2006 decision had raised the need to address the issue urgently. The Secretariat was now faced

with either accepting taxation as a *fait accompli* and discussing a starting date with Fiji, or starting formal discussions to renegotiate a host country agreement. The negotiation process to develop a new agreement could start soon, with a view to providing a progress update to CRGA in 2008. With respect to budgetary implications in the event that SPC was required to meet the tax requirements, the Secretariat was of the opinion that any increases in the salary budget resulting from the application of income tax to Fiji nationals employed by SPC in Fiji should be met by the Government of Fiji, as it would be the sole beneficiary of the income tax. Otherwise, there would be budgetary implications for members.

233. The representative of Fiji stressed that taxation was a sensitive and difficult issue for Fiji, as Fiji nationals working in other international organisations in Fiji were not exempt from tax, e.g. UN employees filed a tax return form. A waiver was at the discretion of the Finance Minister. Should Fiji decide to grant SPC a waiver, it would have to do the same for other organisations for reasons of equity. This would prove very difficult. The suggestion that any increases in the SPC salary budget resulting from the application of income tax should be met by the Government of Fiji was another difficult matter, though it could perhaps be included for discussion in the consultation process. Negotiation of a formal host country agreement between Fiji and SPC was a separate point that should be addressed on its own, as it could delay the proposed consultations on the taxation issue. With respect to the missing document of the 1964 agreement, she stated that it was entirely possible that a formal document had never been signed at the time and had only been a verbal agreement. This could explain why no document could now be found. However, this was only speculation and the way forward was to focus on what could be achieved as part of the consultation process between the Fiji Government and the Secretariat.

DECISIONS

234. CRGA:

- i. considered the issue of the tax situation of Fiji nationals working at SPC in Fiji, as a result of the decision by the Government of Fiji in its 2006 budget session to tax its nationals working at SPC in Fiji, as Fiji's sovereign right;
- ii. noted that options may include, but were not limited to, SPC requesting the Government of Fiji to waive the tax requirement, or agreeing jointly on a mechanism and a timetable for application of the income tax; and
- iii. agreed to recommend to the Fifth Conference of the Pacific Community that it:
 - a) request the Secretariat and the Government of Fiji to hold consultations soon after the Conference to address the issue of taxation of Fiji nationals working at SPC in Fiji; and
 - b) further request the Secretariat to report on the outcome of these consultations to the 2008 CRGA meeting.

AGENDA ITEM 5 – STRATEGIC POSITIONING OF THE ORGANISATION

AGENDA ITEM 5.1 – THE STRATEGIC ENGAGEMENT, POLICY AND PLANNING FACILITY – A MULTI-SECTORAL TEAM OF SENIOR ADVISERS

235. The Deputy Director-General, Noumea, said that CRGA 36 had approved the establishment of a multi-sectoral team of senior advisers to augment SPC's capacity to analyse current and future development trends and challenges and strengthen its capacity to propose multi-sectoral responses for consideration by Pacific Community members and other development partners. The establishment of the team, which was called the Strategic Engagement, Policy and Planning Facility, was included in SPC's new Corporate Plan under the objective of improving the strategic positioning of the organisation. The initiative was also intended to help the Secretariat achieve the other two objectives of the Plan: 'increased focus on member priorities' and 'strategic engagement an expansion of the existing Planning Unit, which provided support for SPC's programmes and general corporate planning. The Deputy Director-General said the core functions of the new

facility were: sectoral analyses to inform strategic decision-making at the national level, in particular in small island states, and to support regional sectoral meetings and working groups; JCS design and implementation monitoring; change planning and assistance with the implementation of change to support the needs of a growing organisation; and support to SPC sectoral programmes and other sections for project design, which would include strategic programme planning, liaison with donors, monitoring and evaluation approaches, and managing independent reviews of SPC programmes; and corporate planning. The Deputy Director-General noted that from financial year 2008, Australia and New Zealand would provide resources to support the strengthening of the Planning Unit, in addition to their current financial allocations to the unit. The Secretariat would seek additional resources for the facility, which it would develop according to the resources available, including seconding staff from other organisations. (For the full text of this presentation, see CRGA paper 5.1, which is available from the Secretariat.)

236. The Chair thanked the Deputy Director-General for his presentation and invited comments.

237. The representative of France asked how the Strategic Engagement, Policy and Planning Facility would be able to carry out independent evaluations of SPC programmes, given that it was itself part of SPC.

238. The representative of New Caledonia commented that the capital of her country, Noumea, was experiencing major urban expansion. To define new directions for the city, the New Caledonian Government had recently created an Urban Development Planning Unit and would follow the activities of the facility at a regional level with interest.

239. The representative of New Zealand said that as yet New Zealand had not agreed to provide increased support for the facility, but it was willing to consider the increased resourcing needs of the planning unit when it renegotiated its funding arrangements with SPC in 2008.

240. The representative of Australia said Australia had agreed to provide funding for the facility in 2008 and potentially over the long term.

241. The representative of French Polynesia congratulated SPC on its initiative and asked for clarification of the nature of the facility. He asked if it would be funded from extra-budgetary funds, which would mean that it was subject to the availability of donor funding. He suggested that it should perhaps be funded from the core budget.

242. The representative of Tonga asked what level of staffing was anticipated for the facility in the future.

243. The Deputy Director-General thanked representatives for their feedback. He noted that the Planning Unit did not conduct independent programme reviews itself, but managed them, which involved preparing the terms of reference and commissioning independent experts, who often presented their findings directly to CRGA. He said the facility looked forward to sharing information with New Caledonia on planning issues, including urbanisation, which was a theme of the Fifth Conference. He apologised to New Zealand for presuming that funding for the facility had already been agreed to and thanked Australia for its commitment in principle to long-term funding. He noted that SPC had to work with the resources available and said that at present, the Planning Unit was largely programme-funded, which offered more security than project funding. However, some activities of the facility, such as special studies, might be project-funded. In regard to staffing for the facility, he said that he headed the Planning Unit in addition to his duties as Deputy Director-General. The unit also included a planning adviser, and a position seconded from AusAID and based in Suva. Three additional positions were anticipated from next year. This meant the facility would soon have a total of 4.5 positions. There were plans to expand the facility by 3–4 positions as resources became available, but the facility was considered flexible and could contract or expand in line with the needs of the region.

DECISIONS

244. CRGA agreed to recommend to the Fifth Conference of the Pacific Community that it:

- i. endorse the proposed core functions of the Strategic Engagement, Policy and Planning Facility; and
- ii. note progress with the facility's establishment.

(AGENDA ITEM 6 – OBSERVER STATEMENTS)

AGENDA ITEM 7 – FINANCIAL AND MANAGEMENT ISSUES

AGENDA ITEM 7.1 – AUDIT REPORT FOR FINANCIAL YEAR 2006

245. The Director of Corporate Services presented the audited financial statements and audit reports for the financial year 2006, as required by SPC's Financial Regulations. In May 2007, the SPC auditors, Deloitte Touche Tohmatsu of Papua New Guinea, conducted an independent audit of the financial records of the organisation for the 2006 financial year for both Noumea and Suva. The Secretariat received clean audit opinions, making 2006 the 11th consecutive year it had received unqualified audit reports. The auditors' management letter raised only one area of concern, which related to arrears in assessed contributions of two years and over. This is not a new concern, having been raised previously by the auditors. The Secretariat agreed with this concern and continued to actively pursue recovery of these arrears. However, the Secretariat did not agree with the recommended adoption of an accounting policy to provide for all contributions in arrears over a specified period. The Secretariat was of the opinion that such a policy would basically provide a 'default mechanism' for non-payment of arrears that could lead SPC to suffer complete loss of the revenue. The Secretariat maintained the position endorsed by CRGA 33 that no provision for debt in members' arrears be made, as these are sovereign debts and therefore recoverable over time. The Secretariat further requested members with substantial arrears in assessed contributions to consider settling the arrears as soon as possible.

246. The auditor from the firm Deloitte Touche Tohmatsu of Papua New Guinea, who conducted the independent audit of the financial records of the organisation for the 2006 financial year for both Noumea and Suva, confirmed to CRGA that the firm had completed its audits of SPC and the Provident Fund for the year ending 31 December 2006 and had issued an unqualified audit opinion. With respect to arrears, the auditor stressed that these represent a drain on the organisation's liquidity and the longer they accumulate, the greater the risk that SPC may not be able to collect these assessed contributions. Deloitte Touche Tohmatsu recommended that the management of SPC should actively pursue recovery of these arrears. This matter was becoming increasingly important as the amounts in arrears exceed the audit materiality, which makes the matter more pressing the longer the amounts remain unpaid. The auditor noted with satisfaction that SPC had been consistently following up on arrears in the past and had actively done so during the year 2006, and he understood from management that the member countries in arrears had given an undertaking to bring their assessed membership contributions up to date by providing SPC with assurance letters during 2006. Deloitte Touche Tohmatsu further recommended the adoption of an accounting policy to provide for all contributions in arrears over a specified period. If adopted, this approach should not stop the collection processes by SPC, nor should it encourage non-payment by members.

247. The representative of Pitcairn Islands stressed that 11 unqualified audits was a huge achievement and satisfaction for any organisation. He apologised for Pitcairn Islands' arrears, reassured CRGA that these had now been paid in full, and reassured the Secretariat that this oversight would not happen again.

248. The representative of Papua New Guinea recalled that his country had pledged during the previous year to settle its arrears, and regretted that this had not yet been possible.

249. The representative of Kiribati was pleased to note that the unqualified audit reports demonstrated the efficient management and accounting controls of the organisation. She said that arrangements would be made on her return home to settle Kiribati's arrears.

250. The representative of Niue said that he would discuss Niue's arrears with the Secretariat.

251. The representative of the Federated States of Micronesia was pleased to indicate that his country had provided funding over and beyond its assessed contribution. He would liaise with the Secretariat concerning the allocation of these surplus funds, but hoped they could be put towards running the Pohnpei regional office. He encouraged countries with arrears to make every effort to settle the amounts.

252. The representative of Fiji stressed that an unqualified audit was quite an achievement. She expressed surprise that Fiji was listed as having arrears and stressed that she would do her best on her return home to settle the amount.

253. The representative of Nauru acknowledged with thanks the special conditions accorded by SPC to his country and reaffirmed Nauru's commitment to work out a plan with the Secretariat to meet its arrears.

254. The representative of France congratulated SPC for the excellent quality of its financial records as attested by the auditors. He said that he had to explain why France had not yet paid its 2007 contribution, which was quite exceptional. The reasons had to do with management difficulties and budgetary rationalisation in France after the 2007 elections. This should not affect SPC's confidence in France paying its contribution in full, which would be done very soon, during December.

255. The representative of Wallis and Futuna reassured CRGA that Wallis and Futuna had now paid its contribution and that the funds had been transferred to SPC on 6 November.

256. The representative of the United States said that the USA had paid its 2006 contribution and had made a partial payment of its 2007 contribution, with the balance of 2007 to be paid in the first half of 2008. He also congratulated SPC for receiving an unqualified audit 11 years in a row.

257. The representative of American Samoa congratulated the Secretariat for obtaining another unqualified audit and confirmed that he would follow up on his country's arrears on his return home with a view to settling the amount.

258. The representative of the Cook Islands was happy to congratulate the Secretariat on its achievement in receiving 11 unqualified annual audits in succession.

DECISIONS

259. CRGA agreed to recommend to the Fifth Conference of the Pacific Community that it:

- i. accept the SPC and Provident Fund financial statements and auditors' reports, the management report on internal-control-related accounting issues, and the Secretariat's response to the management report;
- ii. note the clean audit opinions received by SPC for the 11th year running;
- iii. note the auditors' and Secretariat's concern on the status of arrears for some members; and
- iv. encourage members with outstanding arrears to settle all of them as soon as possible, or at least agree on an arrangement with the Secretariat on the recovery of their arrears over the next 12 months and before the next CRGA meeting.

AGENDA ITEM 7.2 – FINANCIAL YEAR 2007 – CORE BUDGET REVISION

260. The Director of Corporate Services presented a paper informing CRGA of the mid-year revision of SPC's 2007 core budget. He noted that SPC's financial regulations authorised the Director-General to revise the core budget as and when needed, with the proviso that CRGA was informed. A revision was undertaken in July 2007. The revised core budget figures for FY 2007 were shown in the FY 2008 budget document, which also identified the revisions to the non-core budget. He said that substantial net savings, in particular in salaries, and an increase in income from project management fees had allowed the Secretariat to absorb

unforeseen additional costs and make a number of infrastructure investments, such as the purchase of a new financial management software package. Also reflected in the budget revision were savings due to the relatively weak Fiji dollar vis-à-vis the CFP. This had made it possible to finance SPC's Suva operations at a lower cost than initially estimated. The savings and additional income had also allowed the Secretariat to reduce by 139,200 CFP units the anticipated transfers from reserves into the 2007 budget, leaving the organisation's reserves in a healthy state for use in the FY 2008 and future budgets. (The full text of the presentation is in CRGA Paper 7.2, which is available from the Secretariat.)

DECISION

261. CRGA noted the revision of the 2007 core budget.

AGENDA ITEM 7.3 – CROP HUMAN RESOURCES AND REMUNERATION ISSUES – 2007 MARKET DATA SURVEYS

262. The Director-General stated that under a previously agreed mechanism by CROP governing bodies, the annual tracking of 'market movements data' from the three approved reference markets – Australia's public service sector, organisations in Fiji, and New Zealand's public service sector – would provide the basis for the annual assessment of CROP remuneration levels for internationally recruited staff. At their meetings in June and August 2007, CROP Heads considered the results of the annual tracking of data from these reference markets, as well as the market data for Fiji-based staff recruited under local conditions. He indicated that based on the 2007 market data survey, current CROP remuneration lags significantly behind two of the three reference markets (Australia and New Zealand) by between 20% and 44.5%. This is one cause of SPC's recruitment difficulties, as high-quality candidates are now finding employment in regional organisations less attractive. He observed that CROP Heads had noted the difficulty faced by some of the participating agencies in meeting the full recommended increase as determined through application of the Mercer methodology, and had agreed to recommend to their respective governing bodies that payment of 80% of the recommended increases be applied (from 1 January 2008) for Grades J to M, with no increase for Grade I. The total amount required to implement this increase for SPC staff was 617,900 CFP units, of which 288,900 CFP units relates to the core budget and 329,000 CFP units to the non-core budget. These salary increases would be met primarily from savings on staff salaries resulting from the declining SDR, supplemented by savings due to increased efficiency and other cost reduction measures in the 2008 budget. He indicated that based on the 2007 market data survey for Fiji-based participating CROP agencies, two salary grades for SPC's Fiji-based staff recruited under local conditions would be adjusted with effect from 1 January 2008: Grade A (9.36% increase) and Grade H (0.55% increase). Other grades remained slightly ahead of the market and therefore did not require increases. He noted that the cost of implementing the increase would be approximately 5,000 CFP units, to be funded by efficiency savings. He closed by observing that the results of the 2007 market data survey would determine SPC's course of action with respect to Noumea-based staff recruited under local conditions, and that any increase indicated by the survey would be passed on to staff, with the cost met from savings made by efficiency increases.

263. The representative of Papua New Guinea thanked the Director-General for his clear explanation and voiced his country's support for the recommended increases.

264. The representative of the United States asked for clarification regarding the recommended local and international staff salary increases, and inquired about the sustainability of the proposed increases.

265. The representative of French Polynesia inquired about how SPC salary scales compared to those used by other organisations and countries and territories.

266. The representative of Samoa inquired regarding the frequency of salary comparisons with relevant reference markets.

267. The representative of Australia noted her country's support for the increases, which she said was linked to the quality of services that SPC and other CROP agencies could deliver. She noted that the time

might come when such increases would impact on members, and said there was a need to recognise that if the Pacific Community wished to maintain the quality and standing of the Secretariat it might be necessary to look seriously at how the membership could make a contribution to maintaining the current standard. She wholeheartedly endorsed the efforts that had been made to manage the salary increases within SPC's budget.

268. The representative of Pitcairn Islands praised SPC's low overhead structure and observed that the organisation was very well run, and that the staff contributed a tremendous amount to Pacific Community members.

269. The Director-General noted that reviews of the reference markets were undertaken every three years, with a comparison and adjustment made every year. He confirmed that SPC was unable to meet the full increase for internationally recruited staff determined through the use of the Mercer methodology, and that SPC and other CROP organisations had therefore chosen to increase those salaries by 80% of the recommended amount. He noted that future implications depended on currency fluctuations, explaining that recent US dollar declines had resulted in declines in the SDR and subsequent cost savings for SPC.

DECISIONS

270. CRGA agreed to recommend to the Fifth Conference of the Pacific Community that it:

- i. consider and approve the payment of 80% increases of the average of the quantum of the three reference markets for staff recruited internationally for grades J, K, L and M as per the third column in Table 6, which are: grade J – 5.9%; grade K – 9.7%; grade L – 9.0% and grade M – 13.3%;
- ii. consider and approve the increases for grades A and H for Suva-based staff recruited under local conditions;
- iii. note that any increases indicated by the Noumea market survey and approved by the Government of New Caledonia for implementation in New Caledonia would be passed on to Noumea-based staff recruited under local conditions; and
- iv. note that the cost of the above increases would be funded from (i) salary savings from the declining SDR value in the case of staff recruited internationally, and (ii) efficiency savings and other cost reduction measures for both categories of staff.

AGENDA ITEM 7.4 – FINANCIAL YEAR 2008 BUDGET

271. The Director-General presented SPC's budget for financial year 2008. He said that in line with organisational policy, the Secretariat proposed a balanced budget. Total funds available were 49,324,200 CFP units, comprising core funds of 10,227,900 CFP units and non-core funds of 39,096,300 CFP units. Planned expenditure was 49,324,200 CFP units. The budget provided for the continuation of three new initiatives that formed the basis of the Secretariat's justification for the 10% increase in assessed contributions: strengthening of the Pohnpei regional office, implementation of joint country strategies, and strengthening of the Human Development Programme. The budget also provided fully for the cost of proposed salary adjustments (see CRGA paper 7.3) and other necessary cost increases. The budget document accompanying the paper highlighted the strategic objectives, expected outputs and key performance indicators of SPC divisions, programmes and programme support units, sourced from the various strategic plans, including those approved by CRGA last year. It also linked these objectives, outputs and indicators with identified resources in the budget. The Director-General noted that project management fees had become a major source of income for the organisation and were forecast to amount to 1,278,350 CFP units in FY 2008, compared to 900,000 CFP units in FY 2007. This anticipated increase was due to the higher level of non-core funding (to which the fee applied) and the higher fee percentage (7% for members and 15% for non-members) that had been applied to new projects from January 2007. He noted that the Secretariat was not seeking an increase in assessed contributions for FY 2008. (The full text of the presentation is in CRGA Paper 7.4, which is available from the Secretariat.)

272. The Chair thanked the Director-General for his presentation and invited comments.

273. The representative of New Zealand said that paragraph 23 of the paper noted that the increase in the project management fee would allow for strengthening of Corporate Services, and asked where this was demonstrated.

274. The representative of the United States said the United States welcomed the restraint in the costs of support and management, and noted that the increases proposed were in line with the work planned and results expected.

275. The representative of France congratulated the Director-General on the clear presentation of the budget. Concerning the management fee, he wanted to know if the rate could be adjusted according to the project or programme to which it applied, or if it depended only on the funding source.

276. The representative of Australia commended the balanced budget and noted that the increased reliance on additional project management fees was of interest to Australia. She said that this issue could be addressed in the next MOU between Australia and SPC by incorporating funding for some projects into programme funding.

277. The Director-General thanked members for their confidence in the management of the organisation. He said that the primary effect of increased project management fees was increased income, which was applied in various areas, e.g. two new human resources-related positions had been established in Suva and Noumea, and more staff would be added to the Publications and IT Sections. He said SPC tried to apply a standard project management fee of 15% across all projects. However, it was sometimes necessary to offer a sliding scale to agencies that faced governing council restrictions on the percentage payable for project management. He thanked France for its offer to intercede with the EU and acknowledged Australia's offer to look at the balance between programme and project funding when developing the next MOU.

DECISION

278. CRGA agreed to recommend to the Fifth Conference of the Pacific Community that it consider and approve the proposed budget for financial year 2008.

AGENDA ITEM 8 – EVALUATION OF THE DIRECTOR-GENERAL

(This item was discussed in camera; the chairperson of CRGA reported separately on this item to the Conference Chair.)

AGENDA ITEM 9 – CRGA 38 – VENUE AND MEETING CHAIRPERSON AND VICE-CHAIRPERSON

279. CRGA agreed that according to rules of procedure for CRGA:

- i. the venue for the 2008 meeting of CRGA 38 would be SPC headquarters in Noumea, New Caledonia. Members would be advised in due time of the exact meeting dates; and
- ii. the Chair for CRGA 38 would be provided by American Samoa and the Vice-Chair by Australia.

AGENDA ITEM 10 – OTHER BUSINESS

280. In response to a request from members, the Secretariat made a commitment to strive to deliver CRGA documents in a timely manner, and in particular to ensure that documents that might require consultation between the various ministries or departments of member governments were delivered at least three weeks prior to the meeting.

AGENDA ITEM 11 – ADOPTION OF REPORT

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

AGENDA ITEM 12 – CLOSING

282. The Vice-Chair of CRGA, speaking as Chair of the Drafting Committee, thanked the members of the committee for their work and efforts in facilitating the report. He also expressed personal appreciation to the Chair of CRGA for his leadership and friendliness. He expressed appreciation to the host country, Samoa, for its warm hospitality and excellent meeting arrangements. Finally, he acknowledged the Director-General and the staff of the Secretariat for their work.

283. In closing, the Chair said that the meeting had been conducted in a spirit of friendship, understanding and ‘océanité’. He thanked members for their active participation, which had led to lively and informative debate. He also thanked the Director-General and SPC staff for their helpful and very professional support, and said he looked forward to meeting representatives again in Noumea at CRGA 38 in 2008.

284. The Director-General expressed his gratitude to the Chair for the excellent way in which he had conducted the meeting, saying participants had particularly appreciated his humour and good time management. He thanked the Vice-Chair for chairing the Draft Committee and committee members for their excellent work. He also thanked the observers who had contributed to the meeting and the media representatives who had reported on events. He acknowledged the work of SPC staff and asked the Government of Samoa to accept his deep appreciation for its generous hospitality and excellent hosting arrangements and organisation of the meeting’s logistics.

**THIRTY-SEVENTH MEETING OF THE COMMITTEE OF
REPRESENTATIVES OF GOVERNMENTS AND ADMINISTRATIONS**
(Apia, Samoa, 7-9 November 2007)

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--

Director-General

Dr Jimmie Rodgers

Deputy Director-General (Suva)

Mr Falaniko Aukuso

Deputy Director-General (Nouméa)

Mr Richard Mann

SPC BUDGET - YEAR 2008

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

	Budget 2008		
	Core	Non-Core	Total
<u>INCOME</u>	10 227 900	39 096 300	49 324 200
<u>EXPENDITURE</u>			
CHAPTER I - ADMINISTRATION			
Director-General	559 600	-	559 600
Corporate Services	2 839 000	-	2 839 000
Administration	3 398 600	-	3 398 600
CHAPTER II - PROGRAMME MANAGEMENT / SUPPORT			
Deputy Director-General (Noumea)	323 400	-	323 400
Deputy Director-General (Suva)	189 900	-	189 900
Director of Marine Resources	277 500	-	277 500
Director of Land Resources	283 700	183 200	466 900
Director of Social Resources	183 100	-	183 100
Pohnpei Regional Office	197 800	-	197 800
Planning Unit	-	682 900	682 900
Publications Section	831 600	-	831 600
Information Communication Technology	718 700	561 400	1 280 100
Translation & Interpretation Section	1 137 900	-	1 137 900
Library	285 700	-	285 700
Programme Management / Support	4 429 300	1 427 500	5 856 800
CHAPTER III - SOCIAL RESOURCES			
Public Health	320 700	13 456 700	13 777 400
Statistics - Demography	303 900	1 466 500	1 770 400
Human Development	768 900	1 770 600	2 539 500
Regional Media Centre	320 100	156 500	476 600
Social Resources	1 713 600	16 850 300	18 563 900
CHAPTER IV - MARINE RESOURCES			
Coastal Fisheries	139 500	3 961 400	4 100 900
Oceanic Fisheries	152 600	5 079 300	5 231 900
Maritime	121 500	1 803 900	1 925 400
Marine Resources	413 600	10 844 600	11 258 200
CHAPTER V - LAND RESOURCES	272 800	9 973 900	10 246 700
COMBINED TOTAL	10 227 900	39 096 300	49 324 200

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In reply please quote file:

En réponse, veuillez indiquer :

12 November 2007

Letter to Conference from the Chairperson of CRGA, the representative of Wallis and Futuna

The Honourable Tuisugaletau Sofara Aveau
Minister of Transport, Works and Infrastructure, Government of Samoa
and Chairperson of 5th Conference of the Pacific Community
APIA

Mr Chairperson

Greetings

I avail myself to you this morning and have the honour to present to you Honourable Chairperson and to the Fifth Conference of the Pacific Community the decisions and recommendations reached by the Committee of Representatives of Governments and Administrations (CRGA) at its Thirty-seventh (37th) session last week.

As chairperson of the Thirty-seventh meeting of the Committee of Representatives of Governments and Administrations, I would like to express CRGA's appreciation to you for doing us the honour of chairing the Fifth Conference of the Pacific Community.

It has been a privilege for me personally, as the representative of Wallis and Futuna, to have chaired the 37th meeting of CRGA in your beautiful country, and to enjoy the warm hospitality shown by the people of Samoa. This year's meeting of CRGA and indeed the Conference mark the sixtieth year of service of SPC to the region. It is a historic milestone, and my territory is especially privileged and honoured to have chaired CRGA, as I am sure your country is privileged to chair the meeting of this 60th Anniversary Conference. On behalf of CRGA, I would like to thank Samoa for hosting our meetings.

Mr Chairperson, the Thirty-seventh meeting of CRGA was held last week here in Apia.

However, before I outline the main recommendations of CRGA 37 to Conference, in keeping with established practice, I would also like to bring to your attention a brief overview of the decisions made at the 36th meeting CRGA in November last year for the information of Conference. Mr Chairperson, during the years that Conference does not meet (such as in 2006) CRGA is empowered by Conference to make decisions. This overview is therefore for noting by Conference.

Overview of decisions by CRGA 36 (2006)

The challenges facing small island states (SIS) are of continuing concern to members of the Pacific Community, and include issues surrounding climate change, which will be discussed during this Conference. CRGA 36 (the Committee) noted the actions taken by the Secretariat to increase SPC's focus on and take a more coordinated approach to service delivery to SIS members, in part through the designation of an SIS focal point at the executive level. A specific SIS concern relates to the sustainability and effective provision of the shipping services on which they depend, and CRGA 36 noted the new priority areas the Regional Maritime Programme (RMP) would be addressing, including specific assistance to SIS to assist them in improving existing shipping services. CRGA 36 also commended the work of RMP, which has been undertaken in partnership with PICTs, and which demonstrates an example of how international requirements can be translated into achievable regional and national frameworks.

Discussions were held regarding work of the Secretariat's three divisions, and CRGA 36 noted with satisfaction the achievements and performance of all the divisions. CRGA also directed LRD to take a number of steps to enhance the excellent work it is carrying out with respect to sustainable production of agricultural and forestry commodities by PICTs, including through expansion of the Centre for Pacific Crops and Trees; it also approved amendments to the constitution of the Pacific Plant Protection Organisation. The Committee also directed the Secretariat to continue to seek support for the Pacific Ant Prevention Programme initiative, to provide support for the development of organic agriculture and forestry certification standards, and to foster the growth and continued development of the Pacific Agriculture and Forestry Policy Network, as well as continue supporting and developing the Pacific Island Extension Network and the Extension Award. Members also discussed the challenges associated with atoll agriculture and forestry, and directed the Secretariat to work towards establishing centres of excellence in atoll agriculture and forestry in Kiribati and Marshall Islands.

More general forestry-related challenges facing PICTs were also outlined during discussions, and CRGA 36 endorsed a renewed call for a strong commitment by PICTs to sustainable forest management, including the full implementation of their forestry and other related acts and laws.

The subject of decentralisation of services to members was discussed at length, and CRGA 36 noted the Secretariat's continuing efforts in this regard; the subject was before us again last week, as I will detail below.

The issue of SPC's engagement with the Pacific Plan and the Regional Institutional Framework (RIF) initiative was also discussed during CRGA 36. The Committee welcomed the establishment of the taskforce to further study the RIF proposals, and fully supported the recommendation that the taskforce should include representatives from all Forum members, France, the United States of America, Pacific territories, and relevant regional organisations. The topic was discussed again this year, as I outline below, and we have made recommendations to Conference related to this topic.

The Committee noted the work accomplished in the development of a draft inventory of technical and vocational education and training (TVET), and requested that development partners and other stakeholders support related work being led by the South Pacific Board of Educational Assessment (SPBEA), in partnership with other organisations, to fast-track the establishment of a regional qualifications register and eventually a regional qualifications framework.

The Committee held an in-depth discussion of the future of fisheries, and noted that the application of the Ecosystem Approach to Fisheries Management provides the best prospect for effective governance of Pacific Island oceanic and coastal fisheries. It also noted the growing need for the establishment of national and territorial aquatic biosecurity capacity, and asked the Secretariat to report on national and territorial progress towards the establishment of aquatic biosecurity capacity in 2007. Members also noted the absence of annual regional reports on the status of all fisheries, or other aspects of ocean use in the Pacific Islands region, and the value of such a report to national and international decision-makers. Accordingly, CRGA 36 directed SPC's Marine Resources Division to coordinate the production of a regular annual report addressing the status of the Western Tropical Pacific Ocean and its resources and uses, with the first report produced in time for consideration by CRGA 37. CRGA 36 also noted that SPC should continue to explore options for addressing the problem of declining tuna stocks in the region.

The Committee discussed and endorsed the Secretariat's proposal to develop an overarching health strategy for the region, and noted the Secretariat's intention to present concept papers for the health strategy and Pacific health funding mechanisms to the Pacific Ministers of Health meeting in Vanuatu in March 2007 for their deliberation, guidance and endorsement; and that following endorsement by the Ministers of Health, these papers would be further developed for presentation to the Forum leaders' meeting and Conference for consideration.

The Committee also commended Pacific Ministers of Health for their decision to seek solutions to the health worker migration challenge facing PICTs through the development of a Pacific Code of Practice, and commended WHO for its commitment to both leading and providing resources to develop the Code, as well as the role played by SPC in the Code's development. The Committee noted that a draft Code of Practice would be submitted to the Pacific Health Ministers meeting in Vanuatu in March 2007 for their deliberation and approval, and that the intention was to present the finalised Code to the Forum Leaders meeting and the SPC Conference.

The Committee noted SPC's achievements in reviving a number of core statistical outputs and in building capacity of staff at the Solomon Islands Statistical Office, and requested the Secretariat to conduct a review of the project in 2007, to look at its sustainability and the lessons learned, and consider the need for further input by SPC. CRGA 36 also acknowledged the commitment shown by the Solomon Islands government and the efforts of the Solomon Islands Statistics Office to making the project a success, and thanked the development partners for funding this project and the Solomon Islands Government for hosting it.

Our members noted the high priority given by SPC to successful implementation of the Pacific Plan Digital Strategy, with an emphasis on reaching out to rural and remote communities, and the partnerships that have been developed with local operators, regulators, telecommunications companies and key national stakeholders.

The Committee confirmed SPC's role in supporting economic growth in its member countries and territories, and endorsed SPC's main strategies for supporting economic growth. It also requested that SPC increase its capacity to help members produce economic statistics at the national level and to complement this with strengthened capacity for economic analyses, in order to provide members with options that could facilitate decision making at the national level.

The Committee noted the Secretariat's efforts, through regular external assessments, to align the focus and relevance of its programmes to the prevailing and emerging needs and priorities of its members, and noted the recommendations on the reviews of the Public Health Programme and the Pacific Regional Strategy on HIV/AIDS, and that the Secretariat would circulate to members a detailed and formal response to the review recommendations. It also noted the Secretariat's intention to develop a comprehensive strategy to promote a healthy Pacific lifestyle, with a focus on NCDs.

The Committee discussed the various challenges relating to office accommodation and staff housing facing SPC in its three formal offices (Noumea, Suva and Pohnpei), and commended the initiation of consultation between the Secretariat and the New Caledonia government to find ways to address the serious staff accommodation issue in Noumea, as well as to explore possibilities for expanded office space. It noted that the Government of Fiji has provided temporary office accommodation to house SPC programmes located outside of Nabua and CETC, as committed to during CRGA 35 in Palau in 2005, and noted Fiji's update on progress on the planned construction of the Pacific Village project. The Committee formally thanked the people and Government of Federated States of Micronesia for helping make the dream for a Northern Pacific office of SPC a reality, and thanked the Pohnpei State Government for allowing the use of one of their buildings as a temporary home for the Pohnpei regional office while pursuing discussions with SPC regarding longer-term office needs.

The Committee accepted the Provident Fund statements and auditors' reports, the management report on internal control-related accounting issues, and the Secretariat's response, and encouraged members that have outstanding arrears in their assessed contributions to settle all arrears as soon as possible.

With respect to the budget, the Committee noted the 2006 Financial Year Budget revision, and approved the SPC budget for Financial Year 2007, including the transfer from the General Reserve, with the exception that the United States disassociated itself from consensus concerning the increase in SPC's project management fee and the transfer from the General Reserve.

The Committee also approved a 10 per cent increase in member assessed contributions, with the exception that the United States opposed the consensus to increase the core assessment by 10 per cent and said it would not support an increase in its assessed contribution.

The Committee noted that SPC plans to use the increase in assessed contributions to further improve direct delivery of services to island members of the Pacific Community, and the budget decision resulted in an increase in each member's individual contribution by 10 per cent, except that of the United States, which resulted in changes to the relative shares of total assessed contributions for members. The Committee also approved adjustments in staff salaries requested by the Secretariat, in keeping with the Mercer recommendations relating to CROP salary harmonisation, noting that the same level of increases had been approved by governing bodies of other participating CROP organisations, and also in particular that the increase was being funded by efficiency savings within the organisation's budget.

Mr Chairperson, having now presented to you the overview report of the decisions reached by CRGA at its 36th meeting in November last year, I now have the pleasure to present to you the decisions and recommendations of the 37th meeting of CRGA for your consideration and approval.

Decisions and Recommendations by CRGA 37 (2007) to the 5th Conference of the Pacific Community

I am happy to report that CRGA 37 completed its very fruitful meeting in Apia this past week and will now be reporting to you on the outcomes of that meeting and the recommendations to Conference of CRGA 37. The presentation of my report follows the sequence of the agenda for CRGA 37.

Director-General's Report

The Committee acknowledged and recognised the Secretariat's valuable achievements, as outlined by the Director-General in his report, and adopted the Director-General's report. On behalf of the Committee, I would now like to recommend the report to Conference.

Division overviews

The Committee heard presentations from SPC's three divisions and commended their work during the year. The very interesting presentations themselves, as well as the ensuing discussions between members, served to highlight the relevance and quality of the work carried out by SPC in the region.

With respect to the **Land Resources Division (LRD)**, the Committee is recommending to Conference that

SPC work towards concluding agreements that would benefit crops and forestry, with a number of international organisations and in particular the Governing Body of the International Treaty on Plant Genetic Resources for Food and Agriculture, and the Global Crop Diversity Trust. In addition, the Committee recommends to Conference to endorse the request by PIF Leaders that SPC develop a new agriculture and forestry initiative, including atoll agriculture, and keep CRGA informed of the financial implications, if any, of the new initiative. CRGA also recommends that SPC develop agriculture and forestry policies, plans of action and budgeting processes based on the National Sustainable Development Strategies in collaboration with national governments and other agencies.

I was particularly happy and proud to present the **2007 SPC Gender Award** to the LRD Director, on behalf of SPC's Human Development Programme. The award recognises LRD's gender inclusive approach in its DSAP Programme during 2007. The award has been created to recognise the critical importance of addressing gender issues and concerns in development both in the corporate management of regional organisations such as SPC, as well as in the delivery of technical assistance and programmes. It will be awarded every two years.

With respect to the **Marine Resources Division (MRD)**, the Committee commended and noted the work-programme broadly proposed for the remainder of the duration of MRD's three Strategic Programme Plans, together with several proposed new marine sector initiatives, aimed at attracting multi-year, multi-donor support that are intended to address emerging and existing gaps in the Divisional work-programme. The Committee recommends to Conference to endorse three important new initiatives to be undertaken by MRD including the Regional Tuna Tagging Programme Phase II, the Aquatic Biosecurity Initiative, and the Coastal Fisheries Scientific Support Initiative. The Committee also commends to the Conference the decisions of Transport Ministers in their 'Maritime Ministerial Communiqué'. I recommend to Conference that it endorse the Division's proposed work programme and new initiatives.

With respect to the **Social Resources Division (SRD)**, the Committee is recommending to Conference that it endorses the proposed strategic plans for the Human Development Programme and for the Regional Media Centre, as well as the decisions of the 10th Triennial Conference of Pacific Women. The Committee also commended the work of the 10th Triennial Conference of Pacific Women. The Committee noted the exponential expansion of the Public Health Programme and expressed its appreciation to development partners who have graciously provided resources to enable SPC address important health priorities affecting the membership. In this regard the Committee also expressed its appreciation at the current level of engagement between SPC and WHO to streamline their cooperation through the development of a new Memorandum of Understanding. The Committee noted with satisfaction the progress on the youth mapping exercise, the result of which will help the development of a more comprehensive, multi-stakeholder and integrated strategy aimed at addressing challenges and priorities in the youth sector.

Joint Country Strategies (JCSs) and country profiles achievements, challenges and directions

The Committee heard with interest the Secretariat's achievements, challenges and future plans concerning the development of joint country strategies and country profiles. It recommends to Conference to endorse the three JCSs already completed for the Cook Islands, Marshall Islands and Nauru, and to note that JCSs for Kiribati and Tokelau are in final draft form awaiting endorsement by the two countries. The Committee also recommends to Conference that it endorse the Secretariat's intention to complete Joint Country Strategies for the Federated States of Micronesia, Niue, Pitcairn, Solomon Islands, Tuvalu and Wallis and Futuna in 2008, and develop further country profiles for other members incorporating suggestions from members on how to improve the profiles to enhance its utility for members.

Digital Strategy implementation

The Committee applauded the successful implementation by SPC and Pacific Island Forum Secretariat (PIFS) of the digital strategy approved by Pacific Island Forum (PIF) Leaders at their 2005 meeting in Papua New Guinea. The Committee encouraged all members to consider making use of the low-cost satellite-based Pacific rural interconnectivity system (RICS) through a dedicated Pacific satellite hub from the AMC 23 satellite to increase internet connectivity in rural and remote areas in the Pacific, and invest in more sites to

spread these benefits further. It also agreed that it was important for national telecommunication regulatory authorities to make provision for issuing licenses to schools and health facilities in rural and remote areas, and make direct use of the dedicated Pacific hub by purchasing their own bandwidth at lower rates to pass on cheaper services to remote communities.

Another component of the strategy is the proposed new South Pacific Information Network (SPIN) submarine cable project that will link 12 countries to the international communication backbone. The Committee encouraged the 12 countries that could benefit from this opportunity to engage seriously in bilateral consultations with the private sector company and development partners involved in the project.

The third technological solution being advocated by PIFS and the Secretariat is the "One Laptop Per Child" (OLPC) initiative. This initiative, aimed at equipping children with powerful and versatile \$100 laptops as education tools have the potential to transform learning opportunities for children particularly where they do not have access to educational opportunities. The Committee therefore encouraged Ministries/Departments of Education and other sectors in PICTs to assess the usefulness of OLPCs as education and information tools in the transfer of information in sectors such as health, agriculture, forestry and fisheries to rural and remote communities.

The Committee commended SPC and PIFS on their accomplishments with regard to implementation of the digital strategy and recommends to Conference that it acknowledge the efforts and commitments made to date with respect to implementation, and encourage each Pacific Community member to pursue further implementation of those elements of the strategy that are appropriate for them including addressing their own respective regulatory environments.

Small Island States shipping

The Committee noted various options in relation to the SIS feeder shipping service study and acknowledged that PICTs need to work collectively to improve SIS shipping services. It recommends to Conference that it support the efforts being made by the Secretariat to provide assistance to SIS with respect to shipping, and direct the Secretariat to facilitate implementation of the decisions made by SIS Leaders, at their recent summit in Tonga, to use existing capacity in Kiribati to serve Tuvalu and Nauru, while assessing the purchase and management of a new ship, and exploring the possible establishment of a Regional Shipping Services Agreement involving a number of states. The Committee also noted the need for training in commercial ship management in SIS and recommends to Conference that it supports the delivery of risk-free simulation training by SPC's Regional Maritime Programme. Another recommendation to Conference is that it encourages additional financial support from donor partners for the establishment of an SIS ship management unit within the Regional Maritime Programme for capacity supplementation, improved technical advice and effective shipping management services.

Technical and vocational education and training

The Committee noted SPC's contribution towards helping to establish a coordinated approach to TVET in the region, in particular its support for the Pacific Association of Technical and Vocational Education and Training (PATVET), and was pleased to also note progress on the inventory project, and the establishment of the Australia-Pacific Technical College. It recommends to Conference that it endorses SPC's TVET strategies and that it direct the Secretariat to seek strategic discussions with PATVET, PIFS and USP regarding the need for an effective regional support framework for TVET in the Pacific. Conference is also requested to direct the Secretariat to seek donor funding to support its TVET strategies.

Public health – challenges and directions

In light of the importance of effectively addressing existing and emerging health challenges in PICTs, the Committee agreed on the importance of addressing major determinants of health outside the health sector to achieve better health outcomes, and of implementing a 'whole of government and community' approach in improving the health status of populations in PICTs. The Committee requests Conference to endorse the work aimed at developing a 'Framework of Priorities for Health in the Pacific' (FPHP) and potential

financing mechanisms that could support such a framework, with an emphasis on addressing national priorities. The Committee also requests Conference to note the intention by both SPC and WHO to have a new MOU that will guide their cooperation in the region's health sector and its development.

Outcomes of the Pacific youth mapping exercise

The Committee received a progress report on the Pacific Youth Mapping Exercise. Pending further consultations, the final report will be presented on the YouthLINK Pasifika website hosted by SPC's Human Development Programme. Conference is requested to direct the Secretariat to coordinate the development of a 'Framework of Priorities for Youth in the Pacific' following the completion of the mapping exercise and to endorse the development of an integrated multi-stakeholder coordination framework for responding to the findings of the mapping, as a way forward.

Agriculture and forestry: participatory and integrated approaches to development and management

The Land Resources Division provided a very lively and interesting overview of the EU-funded Development of Sustainable Agriculture in the Pacific (DSAP) project, and the German Government/GTZ-funded Drawa model area for natural resources development and management. These two agriculture and forestry projects are successful examples of participatory and integrated approaches to development and management. The Committee was particularly interested to hear the interventions by the Secretary of the Pohnpei Farmers Association and the representative of the Landowners Association of Drawa. The Committee supported the request by the Secretary of the Pohnpei Farmers Association and endorsed by the CRGA delegate from FSM for SPC to consult with stakeholders such as the Food and Agriculture Organisation (FAO) and seek funding to implement an agriculture census in the FSM as an essential next step to enhance farmer produce and trade facilitation of agriculture products. The Committee requests Conference to reaffirm the importance of participatory and integrated approaches to development and management in the work of the Land Resources Division and of SPC in general and seek resources to further enhance its implementation.

Decentralisation of SPC services, host country arrangements and responsibilities

Concerning the decentralisation of SPC services, the Committee noted that SPC has decentralised its services in many of its members and has a physical presence (with field offices in 17 of its 22 island members, and that it will continue to explore cost-effective ways to move services closer to people through various forms of decentralisation.

With specific reference to island member country/territory agreements and responsibilities, the Committee noted the desirability of having appropriate formal understandings with those member countries and territories in which SPC has a longer-term physical presence, in order to facilitate matters such as the import of goods and arrangements for the placement of staff. On this particular issue, the Committee recommends to Conference that it directs the Secretariat to develop options for such agreements for discussion with individual member countries and territories, as required.

Office and staff accommodation – Noumea, Suva, Pohnpei & other locations

Conference is invited to note the progress made by the Secretariat and the host governments of the three official SPC offices in addressing the office and staff accommodation needs of SPC at the three locations, as well as the commitment by the three host governments to continue to assist in meeting SPC's office space and staff accommodation requirements in the three locations. The Committee thanked the Government of Fiji for the provision of office accommodation in Nabua, Suva, and encouraged Fiji to continue to expedite the implementation of the Pacific Village project to address the longer-term office requirements for SPC in Fiji. The Committee noted the current arrangements in accommodating SPC-executed programmes in other member countries and territories. The Committee also heard an update from the representative from Fiji on the status of the Pacific Village project. The Committee was delighted to hear from the delegate from the FSM that they are interested in pursuing a similar 'Pacific village' project for the North Pacific. The delegate from FSM also confirmed his government's agreement to provide the necessary support to enable SPC install

a high-speed internet connectivity system that will enable real-time communication between its three official offices. The Committee requests Conference to endorse the request from the Secretariat to the Government of the Federated States of Micronesia to favourably consider and approve the use by SPC of SkyEdge VSAT Pacific RICS to increase bandwidth capacity for the Pohnpei regional office to facilitate video conferencing capability as well as enhancing operational efficiency with the new multi-site finance information system that will link all of the organisation's official offices.

Regional Institutional Framework initiative

Conference is asked to take note the decision taken by the PIF leaders on their preferred institutional arrangement for FFA, SOPAC, SPBEA, SPC and SPREP, and to endorse the position taken by PIF leaders as the basis for developing a detailed draft roadmap for the consideration of CRGA 38 in 2008. In doing so the Committee recognises that although the US and American Samoa support the goal of improving coordination, efficiency and service delivery, they are not able at this point in time to endorse the position taken by PIF leaders without additional information concerning the proposal's implementation and associated implications.

The Committee also asks Conference to note that the matter will be considered by the governing bodies of SOPAC, SPBEA and SPREP, and to accept the offer by the Secretary-General of PIFS to facilitate consultations between the CEOs of the four organisations concerned, including appropriate involvement of member representatives, development partners and other CROP agencies, and to recommend that the discussions between the CEOs be usefully guided by a set of principles. Such principles could include transparency and timeliness with respect to the process, and effective involvement of stakeholders; cost-effectiveness; a focus on the RIF objective of creating an institutional framework that further improves service delivery to PICTs beyond existing arrangements and assists with the effective implementation of the Pacific Plan; and the need to address the full range of legal, organisational, administrative, governance, membership, and financial implications.

Conference is further asked to instruct the Director-General to work closely with the CEOs of the three organisations to map out a draft plan to implement the institutional arrangements outlined by leaders for Pillar 2 organisation and to present the draft plan to CRGA 38 for its consideration. The Committee also requests Conference to note the intention of the Secretariat to involve the membership at various stages of the development of the roadmap through provision of regular updates. It also recommends that Conference request the Director-General, in light of the decision by PIF leaders to include the Pacific Islands Forum Fisheries Agency into Pillar 1 to consult with the Director General of the Forum Fisheries Agency to ensure that the current collaborative work between the two agencies involved in the region's fisheries sector is further enhanced.

Key collaborative initiatives

The Committee asks Conference to note the Secretariat's extensive efforts to enhance the benefits available to its members through increasing collaboration with other partners in many areas, and to also note the results of these collaborative initiatives. Conference is also asked to encourage the Secretariat to continue to pursue this strategy to further enhance regional cooperation and collaboration, with the objective of maximising the value to members of the services provided by SPC and other stakeholders.

Tax situation for Fiji nationals working at SPC in Fiji

The Committee considered the issue of the tax situation of Fiji nationals working at SPC in Fiji, as a result of the decision by the Government of Fiji in its 2006 budget session to tax its nationals working at SPC in Fiji as its sovereign right. It noted that options may include, but are not limited to, SPC requesting the Government of Fiji to waive the tax requirement, or agreeing jointly on a mechanism and a timetable for application of the income tax. The Committee recommends to Conference that it requests the Secretariat and the Government of Fiji to hold consultations commencing soon after the Conference to address the issue of taxation of Fiji nationals working at SPC in Fiji, and further request the Secretariat to report on the outcome of these consultations to the 2008 CRGA meeting.

The strategic engagement, policy and planning facility – a multi-sectoral team of senior advisers

The Committee noted with appreciation the rationale for expanding both the scope and role of the organisation's planning unit into a more strategic role through this new facility. Conference is requested to endorse the proposed core functions of the Strategic Engagement, Policy and Planning Facility, and to note progress with its establishment.

Audit reports

The Committee was pleased to hear that SPC had received clean audit opinions for the 11th year running. It therefore recommends to Conference that it accepts the SPC and Provident Fund financial statements and auditors' reports, the management report on internal control-related accounting issues, and the Secretariat's response to the management report. Conference is also requested to note the auditors' and Secretariat's concern on the status of arrears in assessed contributions for some members, and is asked to encourage members with outstanding arrears to settle all of them as soon as possible or at least agree on an arrangement with the Secretariat on the recovery of their arrears over the next 12 months and before the next CRGA meeting. The auditors have informed CRGA that arrears in assessed contributions may affect the materiality of their audits in future, and stressed the importance of members meeting their dues as soon as possible.

Financial year 2007 – Budget revision

The Committee noted the revision of the 2007 core budget.

CROP human resources and remuneration issues

The Committee recommends to Conference that it approve the payment of 80% of the increase, relative to the average of the quantum of the three reference markets used for setting of CROP salaries, for staff recruited internationally for all grades except I, and that it also approve increases for Grades A and H for Suva-based staff recruited under local conditions. Conference is invited to note that any increases indicated by the Noumea market survey and approved by the government of New Caledonia for implementation in New Caledonia will be passed on to Noumea-based staff recruited under local conditions. The cost of the above increases will be funded from salary savings from the declining SDR value in the case of SRI, and from efficiency savings and other cost reduction measures for both categories of staff. There is no financial implication for members on this increase, which was also granted by the governing bodies of SPREP and PIFS at their respective meetings.

Financial year 2008 budget

The Committee applauded the Secretariat's balanced budget for financial year 2008, commending it for a clear presentation, and noting that it only included confirmed funding in the budget. The Committee also acknowledged that the 2008 budget is the largest budget the organisation has achieved with the likelihood that it would increase further during 2008 given that recent funding commitments made after the production of the budget had not yet been reflected. The Committee noted and shared the concern by the Secretariat on the reliance for a large proportion of its funding on projects and welcomed the interest by some of the major partners to explore other mechanisms of funding security during 2008. The Committee recommends that Conference approve the proposed budget for Financial Year 2008.

Evaluation of the Director General

This item was discussed 'in-camera' and I will report separately on this item to you.

The Thirty-eighth CRGA: venue and meeting chairperson and vice-chairperson

According to rules of procedure for CRGA, the venue for the Year 2008 Meeting of CRGA 38 will be SPC Headquarters in Noumea, New Caledonia. Members will be advised in due course of the exact meeting dates, but it will be in November. The Chairperson for CRGA 38 shall be provided by American Samoa and the Vice-Chairperson by Australia.

Other Business

The Committee applauded the quality of the papers presented by the Secretariat. However, in noting that some of the items would benefit from broader consultations with other partners at national level, CRGA encouraged the Secretariat to distribute all papers at least two to three weeks prior to the meeting date.

Conclusion

This brings me to the end of my report to you Honourable Chairperson of Conference on the outcomes of the deliberations of CRGA 37 last week. In this regard I wish to thank CRGA for its enthusiasm and commitment in dealing with its work expeditiously and in a manner and spirit of cooperation. It made my job easier.

Let me, through you, Mr Chairperson, ask Conference to consider the decisions of CRGA 37 and to approve the recommendations put forth by the Committee to Conference.

Please accept Honourable Chairperson, the assurances of my highest consideration.

Yours sincerely

M. Ermenegilde Simete

Président de la Commission permanente de l'Assemblée Territoriale de Wallis et Futuna
and Chairperson of the 37th Meeting of CRGA
Apia, Samoa

SUMMARY OF DECISIONS OF THE FIFTH CONFERENCE OF THE PACIFIC COMMUNITY

(Apia, Samoa, 12–13 November 2007)

AGENDA ITEM 2 — LETTER FROM CHAIRPERSON OF THE 37TH MEETING OF CRGA TO CHAIRPERSON OF THE FIFTH CONFERENCE OF THE PACIFIC COMMUNITY

1. Conference endorsed the CRGA report, as presented by the Chair of CRGA 37, and made the following decisions, based on its discussions and the recommendations of CRGA 37.

➤ Director-General's Report

2. Conference acknowledged and recognised the Secretariat's valuable achievements, as outlined by the Director-General in his report to the Committee of Representatives of Governments and Administrations (CRGA), and adopted the Director-General's report.

➤ Land Resources Division overview

3. Conference

i. directed the Secretariat to work towards concluding agreements with the:

- a) Governing Body of the International Treaty on Plant Genetic Resources for Food and Agriculture, whereby the Centre for Pacific Crops and Trees (CePaCT) places its Annex 1 collection within the purview of the Treaty;
- b) Global Crop Diversity Trust to source funds for conservation of samples of Annex 1 crops held in the CePaCT collection; and
- c) relevant regional and international organisations with a view to establishing a centre within CePaCT for exchange of crop and forestry genetic resources; and

ii. in recognition of the request by Forum leaders, directed the Secretariat to:

- a) develop a new agriculture and forestry initiative, including atoll agriculture, under the Pacific Plan's sustainable development pillar, and keep CRGA informed of the financial implications, if any, of the new initiative; and
- b) jointly with the Pacific Islands Forum Secretariat (PIFS) and in collaboration with national governments, develop agriculture and forestry policies, plans of action and budgeting processes based on National Sustainable Development Strategies.

➤ Marine Resources Division overview

4. Conference:

- i. commended and endorsed the work of the Marine Resources Division during the course of 2007 and the work programme broadly proposed for the remainder of the duration of the division's three strategic programme plans; and
- ii. commended and endorsed several proposed new marine sector initiatives, aimed at attracting multi-donor support and intended to address emerging or existing gaps in the divisional work programme, as follows:

- a) Regional Tuna Tagging Programme Phase II;
- b) Aquatic Biosecurity Initiative; and
- c) Coastal Fisheries Scientific Support Initiative.

➤ **Social Resources Division overview**

- 5. Conference commended the work of the Social Resources Division during 2007, and endorsed:
 - i. the strategic plan for the Human Development Programme, as presented in Annex 2 of CRGA Paper 2.2.3;
 - ii. the strategic plan for the Regional Media Centre, as presented in Annex 8 of CRGA Paper 2.2.3; and
 - iii. the decisions of the 10th Triennial Conference of Pacific Women.

➤ **Joint country strategies and country profiles achievements, challenges and directions**

- 6. Conference endorsed the Secretariat's intention to:
 - i. complete joint country strategies for the Federated States of Micronesia, Niue, Pitcairn, Solomon Islands, Tuvalu and Wallis and Futuna in 2008; and
 - ii. develop further country profiles for other members.

➤ **Digital strategy implementation**

- 7. This item was considered by Conference under Agenda Item 7.

➤ **Small island states shipping**

- 8. Conference:
 - i. supported efforts being made by the Secretariat to provide assistance to small island states (SIS) with respect to shipping, and directed the Secretariat to facilitate implementation of the decisions made by SIS Leaders, at their recent summit in Tonga, to use existing capacity in Kiribati to serve Tuvalu and Nauru, while assessing the purchase and management of a new ship, and exploring the possible establishment of a Regional Shipping Services Agreement involving a number of states;
 - ii. supported the delivery of risk-free simulation training by SPC's Regional Maritime Programme, noting the need for training in commercial ship management in SIS; and
 - iii. encouraged additional financial support from donor partners for the establishment of an SIS ship management unit within the Regional Maritime Programme for capacity supplementation, improved technical advice and effective shipping management services.

➤ **Technical and vocational education and training**

- 9. Conference:
 - i. endorsed the Secretariat's technical and vocational education and training (TVET) strategies;

- ii. directed the Secretariat to seek strategic discussions with Pacific Association of Technical and Vocational Education and Training (PATVET), Pacific Islands Forum Secretariat and the University of the South Pacific regarding the organisation of an effective regional support framework for TVET in the Pacific; and
- iii. directed the Secretariat to seek donor funding to support its TVET strategies.

➤ **Public Health – challenges and directions**

10. Conference endorsed the work aimed at developing a ‘Framework of Priorities for Health in the Pacific’ and potential financing mechanisms that could support such a framework, with an emphasis on addressing national priorities.

➤ **Outcomes of the Pacific youth mapping exercise**

- 11. Conference:
 - i. directed the Secretariat to coordinate the development of a ‘Framework of Priorities for Youth in the Pacific’ following the completion of the Pacific youth mapping exercise and in consultation with other stakeholders; and
 - ii. endorsed the development of an integrated multi-stakeholder coordination framework for responding to the findings of the mapping, as a way forward.

➤ **Agriculture & Forestry: participatory and integrated approaches to development and management**

12. Conference reaffirmed the importance of participatory and integrated approaches to development and management in the work of the Land Resources Division and SPC in general.

➤ **Decentralisation of SPC services, host country arrangements and responsibilities**

13. Conference directed the Secretariat to develop options for appropriate formal understandings and agreements with the member countries and territories in which SPC has a longer-term physical presence to facilitate matters such as the import of goods and arrangements for the placement of staff, through discussion with individual member countries and territories as required.

➤ **Office and Staff Accommodation – Noumea, Suva, Pohnpei and other locations**

- 14. Conference:
 - i. noted the progress made by the Secretariat and the host governments of the three official SPC offices in addressing the office and staff accommodation needs of SPC at the three locations;
 - ii. noted the commitment by the three host governments to continue to assist in meeting SPC’s office space and staff accommodation requirements in the three locations;
 - iii. thanked the Government of Fiji for the provision of office accommodation in Nabua, Suva, and encouraged Fiji to continue to expedite the implementation of the Pacific Village project to address the longer-term office requirements for SPC in Fiji;
 - iv. noted the current arrangements in accommodating SPC-executed programmes in other member countries and territories;

- v. noted the update from the representative from Fiji on the status of the Pacific Village project, and FSM's interest in pursuing a similar project;
- vi. endorsed the request from the Secretariat to the Government of the Federated States of Micronesia to favourably consider and approve the use by SPC of SkyEdge VSAT Pacific RICS to increase the bandwidth available to the Pohnpei regional office to facilitate video conferencing capability.

➤ **Regional Institutional Framework Initiative**

- 15. This item was considered by Conference under Agenda Item 9.

➤ **Key Collaborative Initiatives**

- 16. Conference:
 - i. noted the Secretariat's extensive efforts to enhance the benefits available to its members through increasing collaboration with other partners in many areas;
 - ii. noted the results of these collaborative initiatives; and
 - iii. encouraged the Secretariat to continue to pursue this strategy to further enhance regional cooperation and collaboration, with the objective of maximising the value to members of the services provided by SPC and other stakeholders.

➤ **Tax situation for Fiji nationals working at SPC in Fiji**

- 17. This item was considered by Conference under Agenda Item 8.

➤ **The Strategic Engagement, Policy and Planning Facility – a multi-sectoral team of senior advisers**

- 18. Conference:
 - i. endorsed the proposed core functions of the Strategic Engagement, Policy and Planning Facility; and
 - ii. noted progress with its establishment.

➤ **Audit reports**

- 19. Conference:
 - i. accepted the SPC and Provident Fund financial statements and auditors' reports, the management report on internal control-related accounting issues, and the Secretariat's response to the management report;
 - ii. noted the clean audit opinions received by SPC for the 11th year running;
 - iii. noted the auditors' and Secretariat's concern on the status of arrears for some members; and
 - iv. encouraged members with outstanding arrears to settle all of them as soon as possible or at least agree on an arrangement with the Secretariat on the recovery of their arrears over the next 12 months and before the meeting of CRGA 38.

➤ **CROP human resources and remuneration issues**

20. Conference:

- i. approved the payment of increases of 80% of the average of the quantum of the three reference markets for staff recruited internationally for grades J, K, L and M, which will result in the following increases: grade J – 5.9 %; grade K – 9.7 %; grade L – 9.0 %; and grade M – 13.3%;
- ii. approved the increases for grades A and H for Suva-based staff recruited under local conditions;
- iii. noted that any increases indicated by the Noumea market survey and approved by the Government of New Caledonia for implementation in New Caledonia will be passed on to Noumea-based staff recruited under local conditions; and
- iv. noted that the cost of the above increases will be funded from (i) salary savings from the declining SDR value in the case of staff recruited internationally; and (ii) efficiency savings and other cost reduction measures for both categories of staff.

➤ **Financial year 2008 budget**

21. This item was considered by Conference under Agenda Item 10.

**LAUNCH OF THE BOOK ‘MEETING HOUSE OF THE PACIFIC –
THE STORY OF SPC 1947-2007’**

22. Conference commended SPC on publishing a book on the occasion of SPC's 60th anniversary. The book ‘Meeting house of the Pacific – The story of SPC 1947-2007’ provides an insider's look at 60 years of SPC developments and achievements in the region. Conference also thanked the Prime Minister of Samoa, the Honourable Tuilaepa Lupesoliai Sailele Malielegaoi, for officially launching the book.

**AGENDA ITEM 3 — DIRECTOR-GENERAL’S REPORT TO CONFERENCE ON KEY ISSUES
AFFECTING PICTS**

23. Conference:

- i. noted the presentation and the challenges facing the region;
- ii. further noted that some of the challenges are covered in greater detail in the policy papers for CRGA and Conference;
- iii. noted that some of these challenges are being addressed by other competent authorities but are covered in the presentation to advocate for a whole of government approach to addressing them;
- iv. directed the Secretariat to continue to pursue appropriate and sustainable solutions to meet the challenges that face the Pacific Community’s members in areas that come under SPC’s jurisdiction.

AGENDA ITEM 4 — THE FUTURE OF PACIFIC FISHERIES: PLANNING AND MANAGING FOR ECONOMIC GROWTH, FOOD SECURITY AND SUSTAINABLE LIVELIHOODS

24. Conference:

- i. affirmed
 - a) the importance of fisheries to the economies, food security and livelihoods of Pacific Island countries and territories;
 - b) the need to further promote domestic fisheries, in particular the development of national tuna industries, and investment in coastal fisheries and aquaculture;
 - c) the need for FFA and SPC to take a long-term strategic approach to ensure fishery resources are effectively managed to provide enduring economic, social and cultural benefits for the people of the region;
- ii. welcomed the call by Pacific Islands Forum Leaders for the sustainable utilisation of fisheries resources, and given concerns regarding food security for future generations, committed to support the implementation of the decisions and commitments made by PIF Leaders in this regard;
- iii. noted the commitments made by Ministers to the implementation of ecosystem-based management of coastal and oceanic fisheries for long-term sustainability;
- iv. noted the request to SPC, FFA, PIFS and the WCPF Commission to monitor progress on the commitments in the Vava'u Declaration and to report to the Fisheries Ministers and the next Forum Leaders meeting;
- v. endorsed the proposal for FFA and SPC to undertake a joint study on the 'Future of Pacific Fisheries'. This study will map out options to:
 - a) harness the greatest sustainable contributions of tuna to national and regional economic growth;
 - b) provide access to the fish needed for food security to 2030;
 - c) optimise the contributions of coastal fisheries to livelihoods and food security; and
- vi. requested the SPC and FFA secretariats to share with their respective membership the terms of reference of the study including the study methodology, cost, implications and time frame, for their inputs and endorsement prior to it being implemented.

AGENDA ITEM 5 – URBANISATION IN THE PACIFIC: CURRENT TRENDS AND IMPLICATIONS FOR NATIONAL PLANNING AND DEVELOPMENT

25. Conference:

- i. acknowledged that urbanisation is a growing development challenge throughout the Pacific that demands the urgent development of coordinated policy and programmatic responses at national levels;
- ii. directed the Secretariat in collaboration with the Pacific Islands Forum Secretariat, (PIFS), as co-lead agencies under the Pacific Plan, to:
 - a) finalise the draft Regional Action Framework (RAF) and circulate it to national and urban planners in member countries and territories, and regional development partners for comment, before submitting it to Forum Leaders and SPC's governing body for endorsement in 2008;
 - b) finalise the Pacific urban management support arrangement/programme, including the terms of reference and potential requirements;

- c) provide direct assistance to members in developing their respective urbanisation planning processes and urban management responses.
- iii. further directed the Secretariat, in collaboration with PIFS, to:
 - a) coordinate a more strategic approach to urban planning that involves other important national, regional and international stakeholders including the Secretariat of the Pacific Regional Environment Programme (SPREP), South Pacific Applied Geo-Science Commission (SOPAC), UN-Habitat, United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP), Commonwealth Local Government Forum (CLGF), and key development partners such as AusAID and NZAID;
 - b) work with development partners to develop and implement 'country and territory specific' joint programmes of assistance that address PICT priority urbanisation challenges as a matter of urgency.

AGENDA ITEM 6 – CLIMATE CHANGE: A COORDINATED ORGANISATIONAL RESPONSE TO CLIMATE CHANGE ISSUES

- 26. Conference:
 - i. noted the gravity of the potential impact of climate change on SPC's smaller members, while also noting that climate change will affect all SPC's members;
 - ii. noted with interest the initiatives taken by the government of American Samoa to address greenhouse gas emissions, and recommended these as possible good practice examples that could be adopted elsewhere in the region;
 - iii. noted that for some of the region's low lying atoll countries, population relocation may need to be considered in the event of serious sea level rise;
 - iv. noted the joint attempt by regional organisations to help members address the effects of climate change, and requested regional organisations to help mobilise resources to assist in development of adaptation and mitigation measures by member states (and in particular small island states) at all levels; and
 - v. committed to supporting political leadership and action at national, regional and international levels to mitigate, and/or adapt to, the effects of climate change.

AGENDA ITEM 7 — DIGITAL STRATEGY: BRIDGING THE COMMUNICATION GAP

- 27. Conference:
 - i. acknowledged the Secretariat's efforts and commitments made to date with respect to implementation of the Pacific Plan Digital Strategy, including elements related to the low-cost Pacific rural satellite interconnectivity system, the submarine cable project, and the "One Laptop Per Child" (OLPC) initiative;
 - ii. thanked the governments of Australia and France for their support for the Pacific rural satellite interconnectivity system (Pacific RICS) and South Pacific information network (SPIN) submarine cable project, respectively;

- iii. noted the request by PIF leaders for PIFS and SPC to continue facilitating the submarine cable project initiative, and endorsed the request by French Polynesia to have the French Polynesia/Honolulu submarine cable included as part of the SPIN, with the understanding that the laying of the French Polynesia/Honolulu cable will be funded separately;
- iv. noted also the request for SPC to report back to next year's meeting of the Pacific Plan Action Committee, Forum leaders, and CRGA on the prioritisation by members of the OLPC as an education and information dissemination tool; and
- v. encouraged each Pacific Community member to pursue further implementation of those elements of the strategy that are appropriate for them.

AGENDA ITEM 8 — TAX SITUATION FOR FIJI NATIONALS WORKING AT SPC IN FIJI

- 28. Conference:
 - i. requested that the Secretariat hold consultations with the Government of Fiji soon after the Fifth Conference of the Pacific Community to address the issue of taxation of Fiji nationals working at SPC in Fiji;
 - ii. requested that the Secretariat involve a subcommittee of CRGA, composed of Pacific Community representatives present in Fiji, in the consultations to be undertaken with the government of Fiji;
 - iii. further requested the Secretariat to report on the outcome of these consultations to the 2008 CRGA meeting.

AGENDA ITEM 9 — REGIONAL INSTITUTIONAL FRAMEWORK

- 29. Conference:
 - i. noted the decision taken by the Pacific Islands Forum (PIF) leaders on their preferred institutional arrangement for the Forum Fisheries Agency, Secretariat of the Pacific Islands Applied Geoscience Commission (SOPAC), South Pacific Board for Educational Assessment (SPBEA), SPC and the Secretariat of the Pacific Regional Environment Programme (SPREP);
 - ii. endorsed the position taken by PIF leaders as the basis for a detailed draft roadmap for the consideration of CRGA 38, while recognising that although the United States and American Samoa support the goal of improving coordination, efficiency and service delivery, they were not able to endorse the position taken by PIF leaders without additional information concerning the proposal's implementation and associated implications;
 - iii. noted that the matter will also be considered by the governing bodies of SOPAC, SPBEA and SPREP;
 - iv. accepted the offer by the Secretary-General of the Pacific Islands Forum Secretariat to facilitate consultations between the CEOs of the four organisations concerned, including appropriate involvement of member representatives, development partners and other CROP agencies, and recommended that the discussions between the CEOs be usefully guided by a set of principles. Such principles could include:
 - a) transparency and timeliness with respect to the process, and effective involvement of stakeholders;
 - b) cost-effectiveness;
 - c) a focus on the RIF objective of creating an institutional framework that further improves service delivery to PICTs and assists with the effective implementation of the Pacific Plan;

- d) the need to address the full range of legal, organisational, administrative, governance, membership, and financial implications;
- v. instructed the Director-General to work closely with the CEOs of the three organisations to map out a draft plan to implement the institutional arrangements outlined by leaders for Pillar 2 organisation and to present the plan to CRGA 38;
- vi. noted the intention of the Secretariat to involve the membership at various stages of the development of the roadmap through provision of regular updates; and
- vii. requested the Director-General to consult with the Director of the Forum Fisheries Agency concerning the implementation of recommendation A of the Forum leaders' decision, calling for 'the inclusion of the Pacific Islands Forum Fisheries Agency into Pillar 1, in order to recognise the Agency's central regional role and to provide fisheries issues with the political profile they require'.

AGENDA ITEM 10 — FINANCIAL YEAR 2008 BUDGET

- 30. Conference approved the proposed budget for Financial Year 2008.

AGENDA ITEM 11 — EVALUATION OF THE DIRECTOR-GENERAL

- 31. Conference noted and unanimously approved the recommendation by CRGA 37 that Director-General Dr Jimmie Rodgers be reappointed for a further two-year term. In doing so, Conference stated that it had full confidence in the Director-General and commended him on his very good performance.

AGENDA ITEM 12 — YEAR 2009 CONFERENCE: VENUE, CHAIRPERSON AND VICE-CHAIRPERSON

- 32. Conference accepted the offer from Tonga to host the Sixth Conference of the Pacific Community in 2009, and agreed that according to the rules of procedure, Tonga will provide the chairperson, and the vice-chairperson will be the representative of Fiji.
- 33. Conference also noted the expression of interest by the Marshall Islands in hosting the Seventh Conference of the Pacific Community in 2011.

AGENDA ITEM 13 — OTHER BUSINESS

- 34. None.

AGENDA ITEM 14 — ADOPTION OF REPORT

- 35. Conference adopted its report and the summary of its decisions.

SUMMARY OF DECISIONS OF THE THIRTY-SEVENTH MEETING OF THE COMMITTEE OF REPRESENTATIVES OF GOVERNMENTS AND ADMINISTRATIONS

(Apia, Samoa, 7–9 November 2007)

AGENDA ITEM 2.1 — DIRECTOR-GENERAL'S REPORT

CRGA acknowledged and recognised the Secretariat's valuable achievements, as outlined by the Director-General in his report. The committee adopted the Director-General's report, and agreed to recommend the report to the Fifth Conference of the Pacific Community.

AGENDA ITEM 2.2.1 — OVERVIEW OF LAND RESOURCES DIVISION

CRGA noted and commended the work of LRD during 2007, and agreed to recommend to the Fifth Conference of the Pacific Community that:

- i. SPC work towards concluding agreements with the:
 - a) Governing Body of the International Treaty on Plant Genetic Resources for Food and Agriculture, whereby the Centre for Pacific Crops and Trees (CePaCT) places its Annex 1 collection within the purview of the Treaty;
 - b) Global Crop Diversity Trust to source funds for conservation of samples of Annex 1 crops held in the CePaCT collection; and
 - c) relevant regional and international organisations with a view to establishing a centre within CePaCT for exchange of crop and forestry genetic resources;
- ii. SPC, in recognition of the request by Forum leaders:
 - a) develop a new agriculture and forestry initiative, including atoll agriculture, under the Pacific Plan's sustainable development pillar, and keep CRGA informed of the financial implications, if any, of the new initiative; and
 - b) jointly with the Pacific Islands Forum Secretariat and in collaboration with national governments, develop agriculture and forestry policies, plans of action and budgeting processes based on National Sustainable Development Strategies.

AGENDA ITEM 2.2.2 — MARINE RESOURCES DIVISION OVERVIEW

CRGA:

- i. commended and noted the work of the Marine Resources Division during the course of 2007 and the work-programme broadly proposed for the remainder of the duration of the Division's three Strategic Programme Plans; and
- ii. commended and noted several proposed new marine sector initiatives, aimed at attracting multi-donor support and intended to address emerging or existing gaps in the Divisional work-programme, as follows:

- a) Regional Tuna Tagging Programme Phase II;
 - b) Aquatic Biosecurity Initiative; and
 - c) Coastal Fisheries Scientific Support Initiative;
- iii. agreed to recommend to the Fifth Conference of the Pacific Community that it endorse the Marine Resource Division's proposed work programme and new initiatives.

AGENDA ITEM 2.2.3 — SOCIAL RESOURCES DIVISION OVERVIEW

CRGA noted and commended the work of the Social Resources Division during 2007, and the decisions of the 10th Triennial Conference of Pacific Women (as presented in Annex 3 of CRGA 37 Paper 2.2.3), and agreed to recommend to the Fifth Conference of the Pacific Community that it endorse:

- i. the strategic plan for the Human Development Programme, as presented in Annex 2 of CRGA Paper 2.2.3;
- ii. the strategic plan for the Regional Media Centre, as presented in Annex 8 of CRGA Paper 2.2.3; and
- iii. the decisions of the 10th Triennial Conference of Pacific Women.

AGENDA ITEM 3.1 – JOINT COUNTRY STRATEGIES AND COUNTRY PROFILES ACHIEVEMENTS, CHALLENGES AND DIRECTIONS

CRGA noted the Secretariat's achievements, challenges and future plans concerning the development of joint country strategies and country profiles, and agreed to recommend to the Fifth Conference of the Pacific Community that it endorse the Secretariat's intention to

- i. complete Joint Country Strategies for the Federated States of Micronesia, Niue, Pitcairn, Solomon Islands, Tuvalu and Wallis and Futuna in 2008; and
- ii. develop further country profiles for other members.

AGENDA ITEM 3.2 — DIGITAL STRATEGY IMPLEMENTATION

CRGA

- i. noted and commended SPC on its accomplishments with regard to implementation of the digital strategy,
- ii. acknowledged the rapid implementation of a technological solution, Pacific RICS, that will help bridge the communication divide between urban and rural and remote areas in the Pacific;

- iii. thanked the Government of Australia for providing the funds to secure the dedicated Pacific satellite hub from the AMC 23 satellite for Pacific RICS;
- iv. encouraged all members to consider making use of the low-cost satellite-based Pacific RICS (within current telecommunication frameworks) to increase internet connectivity, and to enhance the benefits it brings, particularly for rural and remote schools, health facilities and business centres, by investing in more sites to spread these benefits further;
- v. encouraged the 12 countries that could benefit from the submarine cable project to engage seriously in bilateral consultations with the private sector company that is involved in the project;
- vi. encouraged Ministries/Departments of Education in PICTs to assess the usefulness of OLPCs as an education tool and medium for disseminating information in sectors such as health, agriculture, forestry and fisheries to rural and remote communities, and advise SPC and PIFS on the level of priority accorded to OLPCs in their respective countries and territories;
- vii. encouraged national telecommunication regulatory authorities to make provision for issuing licenses to schools and health facilities in rural and remote areas, and also make direct use of the dedicated Pacific hub by purchasing their own bandwidth at lower rates so that they can pass on cheaper services to rural and remote communities; and
- viii. recommended to the Fifth Conference of the Pacific Community that it acknowledge the efforts and commitments made to date with respect to implementation of the digital strategy, and encourage each Pacific Community member to pursue further implementation of those elements of the strategy that are appropriate for them.

AGENDA ITEM 3.3 — SMALL ISLAND STATES SHIPPING

CRGA:

- i. noted the direction, progress and nature of SPC support for SIS;
- ii. noted the recommended options of the SIS feeder shipping service study and acknowledged that PICTs need to work collectively to improve SIS shipping services;
- iii. noted that SIS Leaders, at their recent summit in Tonga, agreed to use existing capacity in Kiribati to serve Tuvalu and Nauru (identified as option 4.4 in CRGA 37 Paper 3.3), while assessing the purchase and management of a new ship (option 4.2 in Paper 3.3), and exploring the possible establishment of a Regional Shipping Services Agreement involving a number of states (option 4.5 in Paper 3.3);
- iv. noted the need for training in commercial ship management in SIS and agreed to recommend to the Fifth Conference of the Pacific Community that it support the delivery of risk-free simulation training by SPC's Regional Maritime Programme;
- v. recommended to Conference that it encourage additional financial support from donor partners for the establishment of an SIS ship management unit within the Regional Maritime Programme for capacity supplementation, improved technical advice and effective shipping management services; and
- vi. recommended to Conference that it support the efforts being made by the Secretariat to provide assistance to SIS with respect to shipping, and direct the Secretariat to facilitate implementation of the decisions made by SIS Leaders, as articulated in (iii) above.

AGENDA ITEM 3.4 – TECHNICAL AND VOCATIONAL EDUCATION AND TRAINING

CRGA:

- i. noted SPC's contribution towards helping to establish a coordinated approach to technical and vocational education and training (TVET) in the region, in particular its support for the Pacific Association of Technical and Vocational Education and Training (PATVET);
- ii. noted progress on the inventory project, and the establishment of the Australia-Pacific Technical College;
- iii. recommended to the Fifth Conference of the Pacific Community that it endorse SPC's TVET strategies;
- iv. recommended that Conference direct the Secretariat to seek strategic discussions with PATVET, PIFS and USP regarding the organisation of an effective regional support framework for TVET in the Pacific; and
- v. recommended that Conference direct the Secretariat to seek donor funding to support its TVET strategies.

AGENDA ITEM 3.5 – PUBLIC HEALTH – CHALLENGES AND DIRECTIONS

CRGA:

- i. noted the importance of effectively addressing existing and emerging health challenges in PICTs;
- ii. further noted the importance of addressing major determinants of health that are outside the health sector to achieve better health outcomes;
- iii. acknowledged the importance of implementing a 'whole of government and community' approach in improving the health status of populations in PICTs;
- iv. agreed to recommend to the Fifth Conference of the Pacific Community that it endorse the work aimed at developing a 'Framework of Priorities for Health in the Pacific' and potential financing mechanisms that could support such a framework, with an emphasis on addressing national priorities.

AGENDA ITEM 3.6 – OUTCOMES OF THE PACIFIC YOUTH MAPPING EXERCISE

CRGA noted the progress of the Pacific Youth Mapping Exercise, and further noted that the detailed research report, once finalised following further consultations, will be presented on the YouthLINK Pasifika website hosted by HDP.

CRGA agreed to recommend to the Fifth Conference of the Pacific Community that it:

- i. direct the Secretariat to coordinate the development of a 'Framework of Priorities for Youth in the Pacific' following the completion of the mapping exercise and in consultation with other stakeholders; and
- ii. endorse the development of an integrated multi-stakeholder coordination framework for responding to the findings of the mapping, as a way forward.

AGENDA ITEM 3.7 – AGRICULTURE & FORESTRY: PARTICIPATORY AND INTEGRATED

APPROACHES TO DEVELOPMENT AND MANAGEMENT

CRGA:

- i. thanked the Land Resources Division for its lively and interesting presentation of the EU-funded Development of Sustainable Agriculture in the Pacific (DSAP) project, and the German Government/GTZ-funded Drawa model area for natural resources management;
- ii. commended these two agriculture and forestry projects as successful examples of participatory and integrated approaches to development and management;
- iii. thanked the Secretary of the Pohnpei Farmers Association and a representative of the Drawa block landowning communities for sharing with CRGA members the positive impacts and transformation of their communities as a result of the two participatory projects coordinated by LRD; and
- iv. agreed to recommend to the Fifth Conference of the Pacific Community that it reaffirm the importance of participatory and integrated approaches to development and management in the work of the Land Resources Division and SPC in general.

AGENDA ITEM 3.8 – DECENTRALISATION OF SPC SERVICES, HOST COUNTRY ARRANGEMENTS AND RESPONSIBILITIES

Concerning the decentralisation of SPC services, CRGA:

- i. noted the progress made to date, whereby SPC has a longer-term physical presence (with offices or officers placed in-country) in 17 of its 22 island members; and
- ii. noted that SPC will continue to explore cost-effective ways of moving services closer to people through various forms of decentralisation, in line with Conference's direction to the Secretariat.

Regarding proposed island member country/territory agreements and responsibilities, CRGA:

- iii. noted the desirability of having appropriate formal understandings with the member countries and territories in which SPC has a longer-term physical presence, to facilitate matters such as the import of goods and arrangements for the placement of staff; and
- iv. recommended to the Fifth Conference of the Pacific Community that it direct the Secretariat to develop options for such agreements for discussion with individual member countries and territories, as required.

**AGENDA ITEM 3.9 – OFFICE AND STAFF ACCOMMODATION –
NOUMEA, SUVA, POHNPEI & OTHER LOCATIONS**

CRGA agreed to recommend to the Fifth Conference of the Pacific Community that it:

- i. note the progress made by the Secretariat and the host governments of the three official SPC offices in addressing the office and staff accommodation needs of SPC at the three locations;
- ii. note the commitment by the three host governments to continue to assist in meeting SPC's office space and staff accommodation requirements in the three locations;
- iii. thank the Government of Fiji for the provision of office accommodation in Nabua, Suva, and encourage Fiji to continue to expedite the implementation of the Pacific Village project to address the longer-term office requirements for SPC in Fiji;
- iv. note the current arrangements in accommodating SPC-executed programmes in other member countries and territories;
- v. note the update from the representative from Fiji on the status of the Pacific Village project, and FSM's interest in pursuing a similar project;
- vi. endorse the request from the Secretariat to the Government of the Federated States of Micronesia to favourably consider and approve the use by SPC of SkyEdge VSAT Pacific RICS to increase the bandwidth available to the Pohnpei regional office to facilitate video conferencing capability.

AGENDA ITEM 3.10 – REGIONAL INSTITUTIONAL FRAMEWORK INITIATIVE

CRGA agreed to recommend to the Fifth Conference of the Pacific Community that it:

- i. note the decision taken by the Pacific Islands Forum (PIF) leaders on their preferred institutional arrangement for the Forum Fisheries Agency, Secretariat of the Pacific Islands Applied Geoscience Commission (SOPAC), South Pacific Board for Educational Assessment (SPBEA), SPC and the Secretariat of the Pacific Regional Environment Programme (SPREP);
- ii. endorse the position taken by PIF leaders as the basis for a detailed draft roadmap for the consideration of CRGA 38, while recognising that although the United States and American Samoa support the goal of improving coordination, efficiency and service delivery, they were not able to endorse the position taken by PIF leaders without additional information concerning the proposal's implementation and associated implications;
- iii. note that the matter will also be considered by the governing bodies of SOPAC, SPBEA and SPREP;
- iv. accept the offer by the Secretary-General of the Pacific Islands Forum Secretariat to facilitate consultations between the CEOs of the four organisations concerned, including appropriate involvement of member representatives, development partners and other CROP agencies, and recommend that the discussions between the CEOs be usefully guided by a set of principles. Such principles could include:
 - a) transparency and timeliness with respect to the process, and effective involvement of stakeholders;
 - b) cost-effectiveness;
 - c) a focus on the RIF objective of creating an institutional framework that further improves service delivery to PICTs and assists with the effective implementation of the Pacific Plan;

- d) ensuring rational discussion of rationalisation of SOPAC functions into SPREP and SPC; and
- e) the need to address the full range of legal, organisational, administrative, governance, membership, and financial implications;
- v. instruct the Director-General to work closely with the CEOs of the three organisations to map out a draft plan to implement the institutional arrangements outlined by leaders for Pillar 2 organisation and to present the plan to CRGA 38;
- vi. note the intention of the Secretariat to involve the membership at various stages of the development of the roadmap through provision of regular updates; and
- vii. request the Director-General to consult with the Director of the Forum Fisheries Agency concerning the implementation of recommendation A of the Forum leaders' decision, calling for "the inclusion of the Pacific Islands Forum Fisheries Agency into Pillar 1, in order to recognise the Agency's central regional role and to provide fisheries issues with the political profile they require".

AGENDA ITEM 4.1 – KEY COLLABORATIVE INITIATIVES

CRGA agreed to recommend to the Fifth Conference of the Pacific Community that it:

- i. note the Secretariat's extensive efforts to enhance the benefits available to its members through increasing collaboration with other partners in many areas;
- ii. note the results of these collaborative initiatives as outlined in CRGA Paper 4.1; and
- iii. encourage the Secretariat to continue to pursue this strategy to further enhance regional cooperation and collaboration, with the objective of maximising the value to members of the services provided by SPC and other stakeholders.

AGENDA ITEM 4.2 – TAX SITUATION FOR FIJI NATIONALS WORKING AT SPC IN FIJI

CRGA:

- i. considered the issue of the tax situation of Fiji nationals working at SPC in Fiji, as a result of the decision by the Government of Fiji in its 2006 budget session to tax its nationals working at SPC in Fiji, as its sovereign right;
- ii. noted that options may include, but are not limited to, SPC requesting the Government of Fiji to waive the tax requirement, or agreeing jointly on a mechanism and a timetable for application of the income tax;
- iii. agreed to recommend to the Fifth Conference of the Pacific Community that it:
 - a) request that the Secretariat and the Government of Fiji hold consultations soon after the Conference to address the issue of taxation of Fiji nationals working at SPC in Fiji; and
 - b) further request the Secretariat to report on the outcome of these consultations to the 2008 CRGA meeting.

AGENDA ITEM 5.1 – THE STRATEGIC ENGAGEMENT, POLICY AND PLANNING FACILITY – A MULTI-SECTORAL TEAM OF SENIOR ADVISERS

CRGA agreed to recommend to the Fifth Conference of the Pacific Community that it:

- i. endorse the proposed core functions of the Strategic Engagement, Policy and Planning Facility; and
- ii. note progress with its establishment.

(AGENDA ITEM 6: OBSERVER STATEMENTS)

AGENDA ITEM 7.1 – AUDIT REPORTS

CRGA agreed to recommend to the Fifth Conference of the Pacific Community that it:

- i. accept the SPC and Provident Fund financial statements and auditors' reports, the management report on internal control-related accounting issues, and the Secretariat's response to the management report;
- ii. note the clean audit opinions received by SPC for the 11th year running;
- iii. note the auditors' and Secretariat's concern on the status of arrears for some members; and
- iv. encourage members with outstanding arrears to settle all of them as soon as possible or at least agree on an arrangement with the Secretariat on the recovery of their arrears over the next 12 months and before the next CRGA meeting.

AGENDA ITEM 7.2 – FINANCIAL YEAR 2007 – BUDGET REVISION

CRGA noted the revision of the 2007 core budget.

AGENDA ITEM 7.3 – CROP HUMAN RESOURCES AND REMUNERATION ISSUES

CRGA agreed to recommend to the Fifth Conference of the Pacific Community that it:

- i. consider and approve the payment of 80% increases of the average of the quantum of the three reference markets for staff recruited internationally for grades J, K, L and M as per the third column in Table 6, which are: grade J – 5.9 %; grade K – 9.7 %; grade L – 9.0 % and grade M – 13.3%;
- ii. consider and approve the increases for grades A and H for Suva-based staff recruited under local conditions;
- iii. note that any increases indicated by the Noumea market survey and approved by the Government of New Caledonia for implementation in New Caledonia will be passed on to Noumea-based staff recruited under local conditions; and
- iv. note that the cost of the above increases will be funded from (i) salary savings from the declining SDR value in the case of staff recruited internationally; and (ii) efficiency savings and other cost reduction measures for both categories of staff.

AGENDA ITEM 7.4 – FINANCIAL YEAR 2008 BUDGET

CRGA agreed to recommend to the Fifth Conference of the Pacific Community that it consider and approve the proposed budget for Financial Year 2008.

AGENDA ITEM 8 – EVALUATION OF THE DIRECTOR GENERAL

(This item was discussed in camera; the chairperson of CRGA reported separately on this item to the Conference Chair).

AGENDA ITEM 9 – THE THIRTY-EIGHTH CRGA: VENUE AND MEETING CHAIRPERSON AND VICE-CHAIRPERSON

CRGA noted that according to rules of procedure for CRGA:

- i. the venue for the Year 2008 Meeting of CRGA 38 will be SPC Headquarters in Noumea, New Caledonia. Members will be advised in due time of the exact meeting dates;
- ii. the Chairperson for CRGA 38 will be provided American Samoa and the Vice-Chairperson by Australia.

AGENDA ITEM 10: OTHER BUSINESS

CRGA noted the Secretariat's commitment to deliver CRGA documents in a timely manner, and in particular to ensure that documents that might require consultations between the various ministries or departments of member governments are delivered at least three weeks prior to the meeting.

AGENDA ITEM 11: ADOPTION OF REPORT

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