

SECRETARIAT OF THE PACIFIC COMMUNITY**THIRTY-FOURTH MEETING OF THE
COMMITTEE OF REPRESENTATIVES OF GOVERNMENTS AND ADMINISTRATIONS**
(Noumea, New Caledonia, 16-19 November 2004)**DIRECTOR-GENERAL'S REPORT****INTRODUCTION**

This report provides members with a summary of the major highlights and activities of the Secretariat for the year 2004. It covers key corporate and programme developments that are elaborated on in greater detail in other CRGA papers, and in the annual corporate report.

This has been a relatively smooth year, with the Secretariat making steady progress towards achieving the corporate and programme objectives set out in its strategic plans. The quality and level of our services to island members has never been higher, and the productivity and staff output are both excellent.

SPC benefits greatly from the support of client members, donors and collaborating partners, which have placed their confidence in us. Our reputation as a modern and professional technical agency that provides practical and useful services continues to grow, and we are living up to our corporate commitments of transparency and accountability.

The year began with the unexpected news that the United Kingdom would withdraw its membership to SPC, effective January 2005. The UK's confirmation came shortly after the surprise announcement at last year's CRGA that it was reassessing its membership contributions beyond 2004. The decision was based on the UK's strategic focus to provide development assistance to low income countries outside the Pacific region.

As one of the founding members of the organisation, the UK's departure from SPC has important implications. For more than 50 years, the UK has been a valuable contributor to the organisation, through membership fees and extra-budgetary support to programmes and projects. The UK is also an important development partner in the region and its departure will have a definite impact. This is the second time in 10 years that the UK has withdrawn its SPC membership. It first left in 1996 and returned two years later as a full member, but under different financial membership terms. This second withdrawal carries significant financial implications to Pacific Community members, and to SPC's work programme.

Early this year, the Secretariat began extensive consultations with members on the implications of the UK withdrawal. SPC will try to minimise the impact of the withdrawal on services provided to island countries and territories. The plan we are proposing enables valuable programme services to island members to be maintained, and is also simple and equitable. The plan takes into account members' views, which have largely been positive. At this CRGA meeting, the Secretariat is seeking members' approval of the plan.

This year, SPC increased its efforts to provide immediate response to members that experience national crises, including natural disasters. We continue to work closely with other regional organisations and donor partners in member countries, including the Solomons and Nauru, and Niue, which was devastated by Cyclone Heta in January.

SPC made significant contributions to several major regional initiatives this year. These include the 2004 Millennium Development Goals report for the Pacific region; the ongoing work to produce a Pacific Plan (which will lead to greater regional cooperation); and the integrated Strategic Action Plan that gives expression to the principles contained in the Pacific Islands Regional Oceans Policy, to name a few. SPC continues to be a cooperative organisation, actively participating in regional mechanisms and working closely with its members and partners.

There have also been exciting corporate developments, especially in the area of communication. Through our ComET satellite system, we now have a functioning, high-quality video-conferencing facility that strengthens the link between SPC's two sites: headquarters in Noumea and the Suva office. Video-conferencing not only produces significant cost-savings, but it also enables the two halves of the organisation to work even closer together, allowing face-to-face management meetings and programme discussions without having to travel. SPC today is operating more efficiently under one corporate umbrella.

This year, SPC reached its highest level of staffing in the history of the organisation, 292 in August. That number may climb slightly higher by the end of the year, owing to expansions in agriculture and fisheries projects. An area of concern in staffing this year is the high turn-over in senior adviser posts in both Suva and Noumea, with more changes expected in the coming months. Such high turn-over sometimes carries with it the potential of affecting quality of service.

The Pacific Village project continues to be on our radar screen. There have been positive movements this year, with the Fiji government negotiating funding with some donors. CRGA may wish to seek further updates on the Pacific Village from representatives from Fiji at this meeting.

As we look ahead to 2005 and beyond, there are several corporate developments that will bring about major changes to SPC's organisational environment. First, the Secretariat is planning an independent review of the organisation and its sectoral programmes, which will set future directions. We are two years into the implementation of our Corporate Plan. A review of SPC's performance under the Corporate Plan, and an assessment of SPC's constituent programmes through the Strategic Programme Plans, will take place next year. The organisation will select a new Director-General in early 2006. There will also be major changes in SPC's senior management with contracts for the two deputies and two directors ending that year.

SPC is guided by clear policies, directions and systems, and is periodically reviewed to ensure its relevance and effectiveness. SPC has top quality staff that are committed to the organisation, and is an organisation we can all be proud of.

PROGRAMME HIGHLIGHTS

It has been a stable year for programme development at SPC, with financial and human resources at projected levels. Several new initiatives were launched, some involving new donor partners; as expected, a couple of projects have been closed. But for the most part, it has been a year of consolidation of recent gains, implementing programmes that have expanded in recent years. SPC's health, agriculture and fisheries programmes are the largest in terms of financial resources. Significant support comes from the Global Fund to Fight HIV/AIDS, Tuberculosis and Malaria, which brings about USD 14 million to the region over a five-year period. Substantial European Commission support is being given to initiatives in plant protection, sustainable agriculture development and fisheries science for the next few years.

Most of SPC's non-core funding that supports the work of our programmes in island member countries and territories come from our donor members, Australia, France and New Zealand, for programmes that are long-term in nature and some fixed-term projects. These funding arrangements are guided by formal multi-year agreements that place an emphasis on programme funding. We have also forged new partnerships with development agencies such as the Asian Development Bank, with which we recently joined forces on a regional initiative on poverty. I am pleased to report that we are achieving success in building partnerships with agencies such as ADB, UNFPA and WHO, as well as with private sector philanthropic foundations such as the MacArthur Foundation that provides valuable funding support for our programme activities in fisheries.

The work of SPC's programmes remain guided by their individual Strategic Programme Plans, most of which will need to be up-dated next year as they cover the three years from 2003 to 2005. The details of individual programmes' performance in meeting strategic objectives can be found in other CRGA papers, in particular the comprehensive divisional reports. Next year, nearly all SPC sectoral programmes will carry out strategic planning for the following period. An exception is the Land Resources Division (LRD), which this year developed the first-ever integrated divisional strategic plan, following the recommendations of the recent LRD review.

We are now finalising the external reviews of the Youth, Demography/Population, and Statistics programmes, which began in the second half of the year. During programme discussions this week, the external reviewers will present their findings and recommendations, some of which are still in the final drafting stage. The Secretariat may only be able to provide its preliminary response to the review outcomes at this meeting, although the input and guidance of the Committee will be extremely useful in planning future directions of the programmes.

I am pleased that by early next year, we will have completed the first cycle of independent reviews of SPC's programmes, a process that began in 2000 when we commissioned external evaluations of our performance and checks on the relevance of our activities. These reviews will greatly assist in next year's overall corporate review, which will include an examination of the effectiveness of SPC's services to member countries and territories.

The year 2004 provided ample opportunity for a review of SPC's work by the immediate stakeholders of SPC programmes: national specialists in the sectors in which we work. This year, we convened regional technical meetings addressing fisheries, maritime, women, health, culture, agriculture and forestry, at both official and ministerial levels. These sectoral meetings continue to play an important role in ensuring that we address the changing needs of our member countries and territories, and that we meet the objectives set out in the agreed strategic programme plans.

We continue to be successful in acquiring funding to maintain SPC's work programme. Each of our sectoral programme divisions is at similar levels with regards to funding and staffing. The budget for each division is slightly above USD 8 million (with the exception of the Social Resources Division, which also received exceptional funding for the Festival of Pacific Arts in Palau, and the start-up of the Global Fund project for the year). The average number of staff in each division is approximately 65. Last year, each division had an annual budget of USD 7.4 million and an average of 55 staff. I hasten to add that for SPC, the success of our programmes is not measured by size or financial strength, but rather by the quality and appropriateness of the services we provide to the region.

Highlights of key programme developments for the year follow.

Marine Resources Division

Under the auspices of the CROP Marine Sector Working Group, over 200 specialists on ocean issues in the region gathered in Nadi in February for the Pacific Islands Regional Ocean Forum. With their input, it has been possible to produce an integrated strategic action plan for implementation of the Pacific Islands Regional Ocean Policy, and to move towards integrated management of the ocean and coastal environment in the Pacific Islands region. The Pacific Islands Regional Ocean Policy is possibly the first international-level ocean policy in the world, and was considered by SPC member countries and territories two years ago. The strategic action plan would not only govern how we manage and protect our waters, but outline the principles under which we manage the activities of others who share our resources.

This year, a key initiative of SPC's Regional Maritime Programme (RMP) was assisting Pacific Island maritime authorities to comply with new requirements of the International Ship and Port Facility Security (ISPS) Code that came into force 1 July 2004. These requirements place yet another major burden on countries whose ships and seafarers trade internationally. There is growing recognition of the important role RMP plays in the maritime transport sector in the region.

RMP is now attracting new funding support from donors, particularly Australia, New Zealand and the United States, and is increasingly focussed, as recommended by the external review last year, on strengthening regional maritime training institutions' capacity to carry out training courses that meet international standards (rather than on individual training). RMP is in the process of implementing the proposed programme restructure that will result in one coordinator, and technical legal and training officers.

RMP's work is guided by the region's maritime authorities and training institutions, which meet annually as the Pacific Islands Maritime Association (PACMA). RMP's work is increasingly focussed on helping those countries in the region that have achieved international maritime "White List" status to develop the capacity to maintain this status. RMP's new focus this year has been to promote compliance with port security measures, and to help address maritime security problems posed by international fishing vessels using Pacific Island ports.

The main task for the Coastal Fisheries Programme (CFP) this year has been to shift its focus from fisheries *development* to assisting countries with fisheries *management*, as recommended by the external review last year. This has required a slight shift in emphasis for CFP's six sections, although it has not required a major change in activities.

The approval for extending the EC-funded PROCFish project's coverage of all Pacific ACP countries in the region, as well as the Pacific French territories, is noteworthy. The project aims to produce an annual regional status of coastal fisheries in the region, as well as information to help guide reef fisheries development at the national and local levels.

A new EC-support initiative being launched this year will complement the existing coastal and oceanic research projects at SPC. "DEVFish", led by the Forum Fisheries Agency (FFA), will be implemented by both FFA and SPC. DEVFish is aimed at assisting Pacific ACP countries to further develop their commercial tuna fisheries, processing sectors and related activities. The project will also promote great participation by the domestic private sector in domestic fisheries policy making.

Several important regional fisheries meetings this year considered SPC's fisheries work programmes, including the fourth Heads of Fisheries meeting (held in Noumea in August that provided a useful forum for Pacific fisheries representatives. The 17th meeting of the Standing Committee on Tuna and Billfish (SCTB) came out with an even stronger warning this year about the status of bigeye and yellowfin tuna stocks. SCTB is the annual meeting of fishery scientists (from coastal states and fishing nations) who work on tuna fisheries in the region. SPC's Oceanic Fisheries Programme (OFP) serves as its secretariat. SCTB is expected to be taken over by the Scientific Committee of the new Tuna Commission, when it commences in December 2004. As agreed, OFP will provide scientific advice on the status of tuna stocks in the region on a user-pays basis for work commissioned by the new Tuna Commission. This is not expected to impact on the traditional services that OFP provides to SPC member countries and territories.

An independent review of the oceanic component of the PROCFish project is looking at the important role OFP plays in tuna fisheries science, as well as its relationship with the Forum Fisheries Agency and the new Tuna Commission. Recently, the EC approved a one-year, no-cost extension of its support to OFP beyond the original project completion date of February 2005. In addition to EC support, OFP continues to benefit from long-standing funding from SPC's donor members Australia, France and New Zealand, and from the Global Environmental Facility.

Social Resources Division

The Global Fund project is the largest single initiative in the Public Health Programme (PHP), bringing significant additional financial support to the region for the fight to control HIV/AIDS, tuberculosis and malaria. As Principal Recipient, SPC is working to obtain approval for a three-year extension of the multi-country project that has been deemed by the Global Fund as a good model for other countries and regions to follow. There is a possibility of a fifth round of funding assistance, which Pacific countries and territories are currently considering. The expectation is that SPC will continue to provide project management support, and that both SPC and WHO will provide technical support.

An important achievement by the HIV/AIDS section this year is the production of a Pacific regional HIV/AIDS and STIs strategy, which was endorsed by Forum Leaders at their annual meeting. The strategy aims at building the capacity of PICTs to respond effectively to HIV/AIDS and STIs, and seeks to strengthen regional coordination and mobilise resources. Development of the strategy was a collaborative process, involving PICTS, non-state stakeholders, donors, and regional and international organisations. The result could be the region's blueprint for halting the spread and impact of HIV/AIDS, taking into account the uniqueness of the Pacific region. The next important step is to implement the strategy, and monitor and evaluate its effectiveness. To this end, SPC was requested to develop an implementation and monitoring plan for the new regional strategy.

Through SPC's Pacific Public Health Surveillance Network, the region is focusing more attention on public health surveillance, particularly of emerging epidemics in the region such as HIV/AIDS and SARS. Increased training activities this year prepared national and regional teams to respond to outbreaks, and there was further development of the region's laboratory network. This was made possible by funding support from partners such as ADB, the US Centers for Disease Control, and SPC's donor members Australia, France and New Zealand.

PICTs today are going through a health transition, where major causes of ill health and death are changing from communicable to non communicable diseases. Some PICTs are facing a double burden, with significant prevalence of diseases such as tuberculosis, malaria and HIV, with a concurrent prevalence of NCDs. SPC is addressing NCDs through the health promotion sections of PHP: Adolescent Reproductive Health, Lifestyle Health, Tobacco and Alcohol and the Pacific Action for Health project. Unfortunately, the Pacific Action for Health Project (which has operated in three participating countries, and is aimed at addressing priority NCD risk factors and developing health promoting environments among youth in those countries), is coming to an end in April 2005. A challenge for us in the next year is to bring increased attention and resources to bear on this growing concern.

The Suva-based Adolescent Reproductive Health and Population Advocacy projects is likely to begin a new three-year phase this year with funding from UNFPA. The project supports youth in participating countries with services and information about reproductive health, and works to mobilise Pacific leaders on population and development issues. A major highlight this year was the first-ever regional meeting of Pacific Parliamentarians (convened in Suva in October), which resulted in a strong commitment by the Pacific Parliamentarians attending the meeting to the fight against HIV/AIDS.

Staff turnover in senior positions in the Public Health Programme are expected, with the departure of the PHP Manager in early December and the Lifestyle Health Adviser in January 2005.

The Statistics and Demography/Population programmes played a key role this year in furthering the corporate commitment to help operationalise the Millennium Development Goals in the region. At an organisational level, an SPC MDG Task Force was formed, bringing together a multi-disciplinary team of SPC experts, with assistance from other agencies such as UNDP and UNFPA, to intervene at countries' request as they develop their approach to achieve relevant MDG targets and indicators. The first countries to be visited will likely be Vanuatu and Tuvalu in early 2005. At a regional level, SPC played a leading role in preparing the MDG regional report, funded by UNDP and supported by national statistics offices and other UN and CROP agencies. Although the report shows significant progress in some areas, there has been very slow progress in others, including the status of women, emerging poverty, new public health threats and low achievements in the educational sector.

Highlights in the Statistics programme this year include a three-year funding commitment (beginning July 2004) by AusAID for PRISM. PRISM is a regional database disseminated through the Internet. Download statistics are showing that more and more people are using PRISM to access data about the Pacific. Data users are going to national websites for their information, which the project intended. The ABD-funded Poverty Fund programme, which will work with Statistics to assist countries in developing and promoting pro-poor strategies, started earlier this year. An-AusAID-funded project for the redevelopment of the Solomon Islands statistical system is also underway.

There will also be staff turnover in Statistics, with the programme head scheduled to leave SPC service in mid-2005.

The Demography/Population programme has successfully completed development of national population GIS systems for four countries. DFID funding for the project ended in June 2004, but the programme is looking to reallocate internal resources to continue this valuable project that makes access to data more user-friendly and relevant to both producers and key users. We have received approval from UNFPA for funding support over the next three years for joint population and development activities in the region. The programme's focus for next year is to assist countries prepare for the next round of population censuses.

Initial findings and recommendations of the external review of the Statistics and Demography/Population programmes are expected to be presented by the independent evaluators at CRGA.

The 9th Triennial Conference of Pacific Women (held in Nadi in August) provided the first-ever detailed analysis of the status of women in the region. Although it showed that achievements had been made, it also demonstrated that the challenge of implementing the Pacific Platform for Action — and achieving gender equality in the region — remains. An important outcome of the conference is the revision of PPA to include emerging issues and indicators that will allow proper assessment of progress. The Pacific Women's Bureau (PWB) continues to work closely with regional partners (including UNIFEM and UNDP/RRT) to equip PICTs with legal and policy frameworks to help improve the status of women in the region. PWB benefits from funding support from donor members Australia, France, New Zealand and New Caledonia.

The Pacific Youth Bureau underwent an independent review this year that will help guide the programme's future direction. Although the review outcomes will be tabled at CRGA, initial reports indicate the programme should continue to place emphasis on helping PICTs develop national youth policies (this has been a key feature of the programme this year), and on providing leadership and lifestyle skills training for Pacific youth. The Secretariat's response to the review and the development of an implementation plan will be the focus of the programme in the coming year. Plans are also underway for a triennial youth ministers conference in Papua New Guinea during the first half of next year. The Youth Bureau receives financial support from France, New Zealand, New Caledonia and French Polynesia.

Following the sixth-year rule, the Youth Development Adviser position will be advertised in early 2005.

It was an extremely busy and productive year for the SPC's Cultural Affairs Programme, which helped bring the region together once again to celebrate Pacific cultures at the 9th Festival of Pacific Arts held in Palau in July. The festival also provided an opportunity for some SPC programmes to showcase their work in the region. It was hosted for the first time in Micronesia, and attracted the largest number of participants in the festival's history. More than 2500 artists and performers attended, most of whom came on charter flights organised by the Cultural Affairs Programme. The programme was successful in soliciting funds from the European Commission to assist the organising committee with the stage, sound and lighting equipment, and to support the participation of French Pacific territories. France and Taiwan/ROC also provided funding support.

Over the past four decades, the Community Education Training Centre (CETC) has graduated around 1200 women from throughout the region in community development work. As recommended in the recent external review of CETC in November, the centre will offer a short-term Enterprise Development Course, and has completed a tracer study of graduates for the past 10 years. A peer review of the CETC review recommendations, completed in September, re-affirmed the view that the seven-month community development course should be retained, but with greater emphasis on income generation and enterprise development. Funding for CETC is stable, with support from Australia, New Zealand and the Commonwealth Secretariat.

There will be a change in leadership of the CETC programme this month, with the incumbent's contract ending in October.

The Regional Media Centre (RMC) was in transition this year. It will adopt a new structure in 2005, featuring two distinct units, Media Training and Media Production, in line with the recommendations of the recent external review of the centre. The centre provides assistance in multi-media training and production to both PICTs and internal SPC clients. A key highlight for RMC this year was its work for the Festival of Pacific Arts in Palau. RMC's Pacific Way television magazine continues to provide an excellent medium for SPC programmes and other CROP agencies to disseminate information throughout the region. The centre receives most of its financial support from the core budget, from cost-recoveries, and from Taiwan/ROC.

Land Resources Division

The appointment of the new Director for the Land Resources Division (LRD) (comprising the agriculture and forestry programmes), facilitated the implementation of the key recommendations of the recent review of LRD. Two major highlights this year have been 1) the development of an integrated “LRD Strategic Plan, 2005-2008”, which has been developed through an extensive consultative process, and 2) the convening in September of the first joint Regional Conference of Ministers of Agriculture and Forestry, held back to back with the first joint regional technical meeting of the heads of Agriculture and Forestry services. The Ministers of Agriculture and Forestry endorsed the new integrated LRD strategic plan.

With its new strategic plan in place, LRD has developed a new divisional structure that covers three broad thematic areas: improved food security and health; sustainable management of forestry and agriculture systems; and biosecurity and trade facilitation. The new structure is expected to enable closer integration of existing project units within the division, and to have greater impact of services provided to members.

In terms of financial resources, LRD is the largest among SPC divisions, with approximately 8.5 million CFP units; most is donor funding for specific projects. During the strategic planning exercise, it was recognised that in order to achieve the objectives of the new strategic plan, LRD needed to develop a financing plan aimed at ensuring long-term sustainability of LRD services.

A major feature of LRD is its presence in many member PICTs. Staff are stationed in counterpart ministries and departments in 11 PICTs. This number will increase further under the new EC Economic Development Financing arrangements, which will include six new Pacific ACP members. SPC is also currently consulting with the government of the Federated States of Micronesia to explore the idea of expanding FSM field operations into an SPC sub-regional office for the North Pacific region.

The division experienced high turn-over of senior staff this year, with the departure of the Plant Protection Adviser, the Agriculture Adviser, the Animal Health Adviser, and the Coordinator for Information and Extension services in Plant Protection. A major challenge for LRD is to maintain its ability to provide excellent service to its members.

Programme Support Services

Since its inception, the Planning Unit has made a significant impact on SPC’s programme quality and corporate development, in part by developing standard corporate policies and guidelines for programme planning and reporting, and human resource management. This year the Planning Unit’s focus has been on staff training, and the Unit organised various workshops on programme management and reporting. It also instituted a Certificate on Assessment and Workplace Training, which grants formal training qualifications to those SPC staff members whose duties includes a significant training component. By the end of this year, nearly all SPC trainers (about 67) will have basic (or higher) formal training qualifications. The Planning Unit is now exploring the possibility of introducing SPC Certificates of Competence at training workshops that currently lead to certificates of attendance.

The other support service units, (Publications, Library, Information and Communications Technology and Translation/Interpretation), are keeping pace with the expansion of SPC programmes, doing more with additional financial resources derived from a levy on programme and project funding. This year, the ICT Section achieved success in corporate and regional initiatives, including the establishment of a video-conferencing facility that links SPC's two offices. Our ICT Section also conducted technical assistance and training workshops in member countries in collaboration with other SPC programmes. Both the Library and the Translation/Interpretation Section were able to clear their backlog in cataloguing and translations this year. The Publications Section produced a new bilingual SPC map, financed by France. Core-funded budgets for programme support service units will be slightly lower next year, with the de-establishment of one translator position.

The Secretariat this year adopted a communications policy and strategic action plan, spearheaded by our new Communications Officer, and involving extensive consultation with other SPC staff. The primary goal of the communications policy is to raise the profile of the organisation in the region and elsewhere. Initiatives this year included improvements to SPC's website, which now regularly features programme and corporate updates, and SPC's Open Day, which will take place immediately following CRGA. These activities represent important steps in achieving the organisation's corporate objective of communicating and collaborating more effectively with its stakeholders.

CORPORATE HIGHLIGHTS

Staffing

Staff numbers during 2004 reached a record high of 292 in August, and have remained around this level since then. The latest statistics (as of 1 November) indicate there are 287 staff, 165 of whom are managed from Noumea, and 122 of whom are managed from Suva. More than half of the staff members (151, or 53%) are in the professional category, with the remaining 136 (47%) in the support staff category.

The number of Pacific Islanders in professional positions has increased since we've begun reporting their numbers. Currently, there are 71 Pacific Islanders out of 151 staff members, representing about 47% of the total. This is the highest level in percentage terms and the largest number of island professionals on staff in recent years. Last year, the figure was 46%, and in 1997 when we first began reporting Pacific Island staff levels, it was 34%. We will continue to give special attention to maintaining the Pacific Islander balance within our complement of professional staff, recognising that in addition to professional skills, Pacific Islanders also bring a sense of knowledge and culture of the region to the organisation.

The percentage of women in the professional category has been hovering around 30% in recent years, with the latest figures showing that women fill 44 professional positions, representing 29% of the total.

As a highly professional Pacific regional technical organisation committed to equal employment opportunities, SPC strives to increase the representation of women and Pacific Islanders among its staff, while also recruiting top quality individuals.

The principle of merit in the appointment of staff is critical to the success of the organisation. All SPC member countries and territories expect SPC staff to be good at what they do, that staff have the knowledge and skills to render quality services to SPC island members, and that that the organisation finds the best people to do the job. This is the policy of the organisation that guides recruitment today, and is the policy that has been re-affirmed by the Conference of the Pacific Community in recent years.

Over the past year, SPC has experienced a high level of staff turnover, particularly in senior programme positions. Most professional appointees generally come to SPC for three to six years, contributing their expertise to island members before moving on to other challenges. We are expecting more senior staff movements in the coming months, including changes to SPC's Executive team in early 2006 when new appointments will be made for the Director-General and the two Deputy Director-Generals.

I would like to draw CRGA's attention to a staffing decision I took that will result not only in a brief transitional period during the leadership change-over, but will also enable my successor to make their own decision on the appointment of the next Senior Deputy Director-General, the position currently held by Dr Jimmie Rodgers. I have asked Jimmie, and he has agreed, to stay on for one year beyond April 2005 when his current contract would normally end. The term of the Noumea-based Deputy Director-General, Yves Corbel, will also end in early 2006. This will enable my successor to choose their replacements, putting together his/her own Executive team, which is essential in running an organisation the size of SPC. He or she will also benefit from having SPC's most senior staff on board for several months while establishing their leadership direction.

I have always appreciated the flexibility that members have given to the Director-General in managing the organisation. You have made the Director-General fully responsible and solely accountable for the management of SPC, within approved policy guidelines, but you have also provided valuable management tools that are essential for the DG to effectively run the organisation, and to achieve the organisation's objectives. This is a key feature of SPC since the reforms 10 years ago, and has helped move the organisation forward to what it is today, a modern and well-managed organisation. I would like to acknowledge my Executive team including Jimmie, Yves, Tim Adams, Richard Mann, Louni Hanipale Mose and Aleki Sisifa for their commitment to excellence in service and for their contributions to keeping SPC moving in the right direction. They are truly some of the region's most dedicated professionals.

There are a number of important staffing issues that took up significant time and attention this year. Among these was a review of the new CROP harmonised remuneration arrangements by a Working Group comprising Suva-based diplomatic missions with CROP agency staff, (including SPC) participating as observers. As these will be discussed in great detail during this CRGA meeting (Paper 7), I will only comment on an important principle in this overview report.

As members are aware, SPC's policy on harmonisation of CROP remuneration arrangements, as approved by Conference and articulated in the "Declaration de Tahiti Nui," recognises the importance of retaining flexibility in each organisation. There is recognition that total harmonisation across all participating organisations in certain areas may not be possible, as in the case of support staff salaries where it has been agreed to use different local markets as reference points.

SPC's approach to CROP harmonisation remuneration arrangements is to respect the principle of harmonisation but to ensure that it is flexible enough to provide for the needs of a technical organisation such as SPC, which requires staff with highly specialised skills. The current application of the CROP harmonised arrangements has served the organisation well, and I strongly recommend that it continue. It is important that the Director-General, as the person fully responsible and accountable for making sure the organisation runs smoothly and achieves its objectives, be able to have the essential management tools to perform the job he/she is entrusted to do.

There has been increased emphasis this year on providing new training opportunities for staff. In addition to the training workshops on programme management organised by the Planning Unit, we are also conducting a number of training sessions on SPC's finance and human resource systems for all staff. Language training courses for staff and their family members also continue, as well as computer training and First Aid training.

The current staff performance planning and appraisal system is also undergoing refinement this year. The system aims to establish an impartial process of objective-setting by staff and to achieve assessments of staff performance against those objectives. This system is also linked to remuneration, in line with the new CROP harmonised arrangements. Our system differs from other CROP agencies in that SPC rewards good performers with annual bonuses, taking into account our ability to pay, while other CROP organisations pay salary increments that are permanent and cumulative.

Staff involvement in our corporate development is still quite strong, particularly through our various staff committees such as the Staff Advisory Committee and Residents Committee in Noumea, and the Staff Representative Committee in Suva. Representatives from these groups are regularly involved in my Executive Committee meetings, providing input on staff matters. I would like to acknowledge SPC staff for their excellent contributions to regional service, and for their continuing support in helping build an environment of openness and teamwork.

Finance/Property Management

SPC finances throughout the year have been relatively good, although the amount of members' assessed contribution arrears continues to be a concern for the Secretariat. Additionally, the impending UK withdrawal of its membership can carry significant financial implications. We will be discussing the UK withdrawal issue more fully during the CRGA meeting (Paper 11) so I will not go further into it in this overview paper.

We diligently monitor the financial situation on a regular basis at the Executive Committee meetings to ensure that we are keeping on track with our financial plans.

Coming into the year, we were pleased that the 2003 audit of our accounts produced a clean and unqualified report from the auditors. This is the seventh year in a row that SPC's finances have been given a "clean bill of health".

The audited financial statements for 2003 show that our total assets are 49 million CFP units, of which, the capital value of our fixed assets (land, buildings and equipment), was 28.8 million CFP units. We are maintaining the funds and reserves at the levels agreed on by Conference. Our trading enterprises, the Canteen and Housing Management, continue to be self-supporting, and our bank investments are still relatively high. These are all signs of an organisation in good financial shape.

With regards to contribution arrears, there has been some progress made in the collection of outstanding membership debt, with the Secretariat having received payments amounting to more than 220,000 CFP units, about 25% of the total arrears at the end of 2003. One member has fully paid its arrears, while two others with sizeable “aged” debt have also made partial payments and have given assurances of additional payments before the end of 2004. In one exceptional case, where there is risk of eventual non-payment of arrears, we have agreed with the auditors to make a provision for doubtful debt. The Secretariat will continue to place high priority on recovering outstanding debts, and to work closely with member governments to settle their arrears.

This year, the non-core part of the 2004 budget is the highest it has ever been, at 26 million CFP units, even higher than initially budgeted. This significant level in funding support to our work programme shows the continued confidence placed in SPC by its donor members and other development partners. The increase over the approved non-core budget was for several initiatives for this year only, including nearly a million CFP units for the Festival of Pacific Arts in Palau, and substantial funds for the start-up of the five-year Global Fund project. For 2005, we are projecting a decrease in non-core funding, to a level that is still quite healthy.

On the property management front, we continue to do necessary work in both the Noumea headquarters and the Suva office compound to maintain our facilities in good shape, renovating and repainting buildings, and grooming our gardens and grounds. In Noumea, we are keeping up with office space requirements that result from programme expansion, whereas the pressures are increasing in Suva with more staff expected in the coming months.

We have been encouraged this year with the positive developments by the Fiji government on the Pacific Village project. SPC staff have been consulted about office space requirements as these have changed since the approval of the architectural design in 2000. Of major concern to SPC is the fact that our Suva-based programmes are located in four separate locations, with two of them being rented. Also of concern is the growing need for additional work stations, which we find increasingly difficult to accommodate in our main office in Nabua. We have approached the government of Fiji to meet the rental costs of our rented offices until such time as the Pacific Village is completed and SPC programmes shift into the new premises. Discussions on this are ongoing.

In Noumea, the housing situation remains a concern because all SPC houses and apartments are fully occupied. We continue to rent about 17 dwellings in the private market for professional staff who are entitled to housing. We also have 17 staff who have purchased homes in the Noumea area, relieving a bit of the pressure on the organisation to fully meet staff housing requirements. A housing study, examining the possible options to address SPC’s housing demands for professional staff, is currently being finalised for consideration at the next Executive Committee meeting.

Regional Collaboration

Our relations with CROP agencies and other regional organisations continue to be very good. There are several significant collaborative projects this year that SPC has actively participated in, including the Pacific Islands Regional Oceans Forum, the CROP remuneration exercise, and other CROP working groups looking at regional sectoral issues. SPC contributed to the review of the Pacific Islands Forum, with Dr Jimmie Rodgers and Richard Mann joining a “Reflections Group” during the review process in New Zealand. SPC also made significant contributions to the preparatory work for the Pacific Plan, with Jimmie seconded for several weeks in July to the Pacific Islands Forum Secretariat to assist in preparatory work on the Pacific Plan prior to the Forum meeting in Apia.

Partnerships with other organisations continue to gain strength. At last year’s CRGA/Conference, we updated and renewed the formal SPC-Forum Fisheries Agency Memorandum of Understanding in a quiet signing ceremony with FFA Director, Feleti Teo. We are currently in the process of developing a new MOU with our scientific neighbours in Noumea, the Institute of Research for Development (IRD) to cover cooperative work on fisheries research, which we expect to sign early next year.

We continue to pursue joint regional sectoral meetings with key organisations. Next year, SPC and the World Health Organization will convene the regional meeting for Ministers and Directors of Health in Apia. This will be followed by an SPC meeting of regional planners and statisticians, which will include major contributions from the Asian Development Bank, UN agencies, and CROP organisations. The Regional Maritime Programme hopes to convene the first “Ministers of Transport” meeting back-to-back with the meeting of the Pacific Islands Maritime Association (PacMA) comprising the respective Maritime Administrations, Maritime Training Institutions and Ports Authorities in PICTs. Given the increased emphasis on maritime security, and the principles approved by Leaders at the recent Forum meeting in Apia as a result of the Pacific Regional Transport Study (PRTS), the involvement of Transport Ministers is timely. We are also working with FAO to explore the possibility of a jointly sponsored sectoral meeting on agriculture and forestry, to include fisheries.

As SPC meetings are open to the public, they present an excellent opportunity for further collaboration with our partners but they have also attracted at least one neighbouring country in the region, Timor Leste, which is seeking to establish a technical collaboration with SPC in specific programme areas, particularly fisheries and demography/population. There have also been expressions of interest by senior government officials of Timor Leste for an observer status in the organisation.

The Secretariat has been very clear in explaining that SPC has no category for partial members, and that our services are strictly provided to our island member countries and territories. We informed the visiting officials of Timor Leste that if non-members request services from the organisation, they are considered on a cost-recovery basis and in the context of existing workload. The Secretariat has received no further official communication on this matter, but wishes for members to note this communication. The Secretariat will keep members fully informed of any developments.

New Membership

There is nothing to report.

Relations with Host Countries

SPC continues to make a concerted effort to maintain its good neighbour image. We have good relations with both the new government in New Caledonia and with the Fiji government in Suva, and we continue to receive a great deal of support from them in our work. The Pacific Village project will remain high on our agenda with the Fiji government next year.

After this CRGA meeting, SPC will be opening its doors to enable our New Caledonian residents to learn about the work this regional institution does. Displays of SPC's work around the region will give the thousands of people we expect to come through our doors on Saturday a good idea of what SPC is and does.

CONCLUSION

Although there have been the usual challenges this year, overall it has been a very productive year for SPC, thanks to its top quality professionals. SPC's capacity to delivery quality service to its island members has grown, and we continue to enjoy strong support from our members, donors and partners. It is an organisation that members can be proud of.

**DIRECTOR-GENERAL'S REPORT ON
ACHIEVEMENTS AGAINST OBJECTIVES
2004**

My annual corporate and personal objectives were set in early March at the annual retreat of my Executive team and senior managers. This report is a brief self-evaluation of my performance which is best read with the overview report that summarises the major highlights of the SPC for 2004 as the earlier report covers the overall performance of the SPC and can assist members in this assessment.

The comments are subjective but reflect my honest assessment of performance thus far this year. I believe it has been another good year for the SPC, with key objectives having been achieved. I commend my Executive colleagues and SPC staff for their continuing commitment and dedication to region service.

Objective 1 - To provide vision, overall leadership and support for the organisation

Output

- Good leadership and support provided to SPC's management team and staff

Performance Indicators

- Feedback from staff on my leadership, and from members and other stakeholders on SPC performance.
- Outcomes of Executive retreat implemented.
- Good preparation for CRGA, including production of papers on time.

My leadership style is one that is highly participatory, where I consult widely and I consider the views of others in making decisions. Staff know and I believe, they appreciate my inclusive leadership style. They know that I take full responsibility for the management of the organisation, and that I try to involve them in the decision-making process. The relationship with my Executive colleagues is very solid. They are able to develop their own initiatives, and are very supportive of one another. It is a strong and effective management team, made up of dedicated and committed professionals. The leadership focus is provided through the Executive Committee meetings and the annual Executive retreat. Feel free to discuss my record with the team.

The Executive retreat this year focussed on regional sectoral challenges and how SPC was positioning itself to respond to them. We continue to monitor progress on implementation of retreat outcomes through the Executive Committee meetings. I must admit that we are lagging behind on completing some of the agreed actions. As for CRGA preparations this year, we begun early to consult members on some of the policy issues on the agenda, in particular the UK withdrawal. Papers were distributed well in advance of the meeting.

Objective 2 - To progress achievement of SPC's corporate objectives, with a personal focus on improved communications and collaboration

Outputs

- Substantial progress made towards achieving all corporate objectives
- SPC's communications strategy adopted and implementation begun.
- Greater awareness by SPC members and other stakeholders of the work of the organisation.
- Enhanced regional collaborative efforts, especially through the CROP process.
- Strong partnerships with donors maintained, and new partnerships established.

Performance Indicators

- Report to CRGA on progress made on corporate strategies.
- Level of awareness among our targeted clients of SPC's services and activities
- SPC marketed in new quarters.
- Executive missions to all member PICTs
- Cooperative agreements with partners, including CIRAD and IRD.
- New CROP remuneration system
- Integrated strategic action plan for the oceans policy.
- Regional strategy on HIV/AIDS, coordinated by SPC.
- New initiatives with ADB and GEF.
- Coordinated regional response to national crisis in member PICTs

We are more than halfway through the SPC Corporate Plan 2003-2005, and so far, the Secretariat has made good progress in achieving our corporate objectives. The report to CRGA on the progress made against the objectives and on what actions are planned for next year is Paper 5. I paid particular attention to the corporate objective of improving communication and collaboration with stakeholders and I am pleased to report that on both fronts, we have performed quite well. Our record with the media has continued to improve, both in Noumea and Suva. We are doing particularly well with the new SPC Communication Officer now on board. A significant accomplishment this year is the new SPC Communications policy and strategic plan that will greatly assist the organisation in raising our profile.

On regional coordination, I must confess not having achieved new MOUs with CIRAD and IRD, although discussions are under way with them and we anticipate to complete the agreements early in the year. Collaboration with partner organisations in the region, particularly through the CROP mechanism, has never been better at the SPC, and will remain a priority for next year. The SPC is working through CROP for better regional coordination in assisting members in national crisis.

Objective 3 -To facilitate implementation of SPC strategic programme plans

Outputs

- SPC's work programme implemented according to identified priorities.
- Increased efficiency in work programme delivery, especially in responding to PICTs needs.
- Greater integration of SPC programmes.

Performance Indicators

- Level of support to programmes, including training.
- Programme review recommendations implemented.
- MDG task force in place.
- LRD strategic plan.
- Review of Statistics and Demography, and Youth programmes.

SPC sectoral programmes are working much closer than ever before, coordinating efforts in delivering services to island member countries and territories. A significant achievement this year is the establishment of the Millennium Development Goals task force under the leadership of Yves Corbel and involving nearly all programme heads in the Social Resources Division. The MDG task force works collaboratively with other agencies in the region, in particular UNDP, to assist PICTs to set up their national mechanisms that will help them monitor progress on relevant MDG goals. SPC's lead role in producing the Pacific region's 2004 MDG regional report is a particularly noteworthy achievement this year.

You can find details on progress made by SPC programmes on their respective strategic programme plans in the CRGA divisional papers, Paper Series 2. I'm sure members will agree that the programmes are performing well in achieving their strategic programme objectives. Many programmes next year will update their strategic programme plans, with the exception of the Land Resources Division which earlier this year produced a first-ever integrated strategic plan covering both agriculture and forestry. By next year, the first cycle of independent reviews of all SPC's sectoral programmes would have been completed, following the reviews this year of the Statistics and Demography/Population, and Youth programmes.

Objective 4 - To improve SPC's administrative and financial operations

Outputs

- Increased efficiency in SPC's administrative and financial operations.

Performance Indicators

- Finance review recommendations implemented.
- Training in place on Admin/Finance systems.
- Manual of Finance procedures adopted.
- Quality assurance systems refined.

We continue to refine the number of planning and quality assurance systems that we have operating at the SPC, in Human Resources, in Finance and in Planning. Last year's Finance review was fully implemented this year. Our corporate services units are functioning smoothly, guided by key policies and procedural guidelines. Assistance to staff on the application of our policies is provided through training workshops.

We placed greater emphasis this year on training of staff. A significant initiative this year is the "Australian Certificate IV in Assessment and Workplace Training," that offers an opportunity to staff that have a major training function to obtain a formal training qualification. By the end of the year, we expect to have about 90 % of SPC trainers with formal training qualifications.

Objective 5 - Objectives requiring a personal focus

- Objective 5.1 – To prepare for impact of UK withdrawal
- Objective 5.2 – To oversee review of SPC's property needs.
- Objective 5.3 – To further strengthen the administrative and programme links between Suva and Noumea.
- Objective 5.4 – To maintain active involvement by staff in corporate/policy development.

Outputs

- Plans to address impact of the UK withdrawal from SPC.
- Assessment of the medium to long-term property needs for Suva and Noumea.
- Regular consultations between Suva and Noumea.
- Strong staff involvement in corporate/policy development.

Performance Indicators

- Acceptance by CRGA of plans.
- Study of options to increase housing stock in Noumea completed.
- Plans to meet SPC Suva office requirements pending Pacific Village, completed.
- Extent of sharing of information across organisation.
- Level of programme interaction between Suva and Noumea.
- Active staff groups with input to EM.
- Support provided to Noumea staff retreat.

Considerable attention has been given to addressing the implication of the UK withdrawal from SPC. There were extensive consultation with member countries and territories on the Secretariat's proposal which CRGA will discuss at this meeting.

The housing survey is in the final stages of completion and will be considered at next Executive Committee meeting. The Pacific Village project remains on the radar screen.

SPC is operating very effectively under one corporate umbrella. There is regular communication by the Executive and other SPC staff between the two sites. The new video-conferencing facility has been a valuable tool in facilitating communication across the organisation. All Executive Committee meetings this year have involved both Noumea and Suva Executive members and staff committee representatives. Staff is regularly consulted on matters affecting them through the staff committees. The Noumea staff retreat has been placed on hold by the Staff Advisory Committee.
