SECRETARIAT OF THE PACIFIC COMMUNITY

FORTY-THIRD MEETING OF THE
COMMITTEE OF REPRESENTATIVES OF GOVERNMENTS AND ADMINISTRATIONS
(Suva, Fiji, 12-15 November 2013)

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AGENDA ITEM 5.2: SPC GOVERNANCE ARRANGEMENTS – A POLICY DISCUSSION PAPER

(Paper presented by the Secretariat)

SUMMARY

1. The 2012 independent external review of SPC acknowledged the value of the role of CRGA and Conference in SPC's governance but observed that their impact could be maximised. In view of the importance of enhancing SPC's governance arrangements, and taking into account feedback from members during the development of SPC's new corporate strategic plan, a review of SPC's governance arrangements is one of the main objectives to be achieved under the plan for the period 2013–2015.

2. This paper discusses SPC's governance and recommends a formal review of current arrangements in 2014 for CRGA's consideration.

RECOMMENDATIONS

3. CRGA is invited to:

    i.   discuss the importance of further strengthening SPC's governance processes, including through clear delineation of the governance of organisational functions and governance of programmatic functions, both of which are currently undertaken by CRGA; and

    ii. consider commissioning a review of SPC's governance processes in 2014, as proposed in this paper, with the findings and recommendations of the review to be presented to CRGA 44 in 2014.

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SPC GOVERNANCE ARRANGEMENTS – A POLICY DISCUSSION PAPER

Purpose

1.   This paper presents policy issues relating to the question, 'How might SPC's governance arrangements be improved?' for discussion and consideration by CRGA 43 and the 8th Conference of the Pacific Community.

Background

2.   The 2012 independent external review (IER) of SPC observed (paragraph 82 of the report) that the impact of Conference and CRGA meetings could be maximised. In his presentation of the findings of the review team at the Special Session of CRGA in August 2012, the team leader stated that CRGA currently functions very well as a body comprising delegates from the membership who represent the interests of their respective constituencies/countries or territories. However, he also said that CRGA does not function like a 'board' that considers and makes decisions on SPC's business in the same way as the modern-day board of an organisation.

3.   The review team recommended several ways to enhance SPC's governance arrangements, including:

   i.   chairing of SPC's annual governance meetings by senior representatives of host governments, which is already the case (recommendation 29);
   ii.   support for the CRGA decision to establish an audit and risk committee, which is in place, and establishment of a programme and funding committee, which has been explored (recommendation 30);
   iii.   establishment, in the short term, of a 'management advisory group' to support the Director-General in implementing the IER recommended reforms, which have been largely accomplished (recommendation 31);
   iv.   establishment of a senior management team to support the Director-General, which is already in place (recommendation 32).

4.   The IER team acknowledged that the current format of CRGA is very useful in ensuring members' priorities are considered in SPC's work. However, they believed CRGA could take on a stronger governance role.

5.   A major objective of SPC's corporate strategic plan for the period 2013–2015 is 'the review and enhancement of SPC's governance mechanism' taking into account both the IER recommendations and feedback from members during the development of the plan.

SPC's current governance arrangements

6.   The governance arrangements of SPC comprise three key areas: (a) the structure for governing the organisation; (b) governance arrangements for SPC's technical and scientific work programme; and (c) leadership and management of the organisation.

   a.   *Governing structure of the organisation*

7.   The governing structure of SPC comprises (i) the Conference of the Pacific Community, which meets every two years; (ii) the Committee of Representatives of Governments and Administrations (CRGA), a

'committee of the whole of conference', which meets annually; and (iii) the Audit and Risk Committee, a standing committee of CRGA established in 2011. CRGA's two principal roles are: (i) oversight of SPC's technical programme delivery – *a programmatic role*; and (ii) oversight of SPC's governance, policy and organisational mechanisms – *a direct governance role*.

8.   A summary of the roles of the Conference and CRGA are presented in paragraphs 22–30 and 31–40, respectively, of the Tahiti Nui Declaration.

   b.   *Governance of SPC's technical and scientific work programmes*

9.   The governance of SPC's technical and scientific work programmes is strongly influenced by regional sectoral meetings of ministers and department heads. These regional meetings are responsible for (i) identifying and agreeing on the key regional priorities that each of SPC's technical divisions should focus on in their work programmes; (ii) reviewing progress on implementing previously agreed priorities; and (iii) recommending for CRGA's consideration and approval the budget required by each division to implement its work programme.

10.   Currently these regional sector meetings include:

SPC Division	Agreed sector regional meetings	
	Heads of sector regional meetings	Ministerial meetings
Applied Geoscience and Technology	• Annual meetings of regional disaster managers • Annual meeting of the Pacific Platform for Disaster Risk Management	• Biennial divisional meeting involving officials and ministers
Economic Development	• Biennial meetings for directors / secretaries of transport • Biennial meetings for directors / secretaries of energy	• Biennial joint ministerial meetings for ministers of transport and of energy
Education, Training and Human Development	• Triennial meeting of directors / secretaries of women's affairs • Triennial meeting of heads of culture and arts • Annual meeting of directors of education	• Triennial meeting of ministers for women's affairs • Triennial meeting of ministers for culture and arts
Fisheries, Aquaculture and Marine Ecosystems (FAME)	• Biennial meeting of directors / secretaries of fisheries (where possible, in the years in-between, shorter Heads of Fisheries meetings are held on the back of other regional gatherings)	• Through its collaboration with the Forum Fisheries Agency, FAME participates in FFA's annual directors / secretaries of fisheries and ministers of fisheries meetings
Land Resources	• Biennial meeting of heads / directors / secretaries of Agriculture and Forestry	• Ministers of agriculture and forestry meetings every 4 years
Public Health	• Annual meetings of heads / directors / secretaries health (from 2013)	• Biennial health ministers meeting (in conjunction with WHO)
Statistics for Development	• Triennial meeting of heads of planning and statistical services	• Annual update on the Ten Year Pacific Statistic Strategy 2001-2020 implementation to Forum Economic Ministers meeting.

    c. *Leadership and management of the organisation*

11. The Director-General is the chief executive officer of SPC (paragraphs 41–44, Tahiti Nui Declaration) and has full responsibility and authority to lead and manage SPC within the guidelines and policies established by Conference and CRGA. He or she develops the vision, sets the goals, makes decisions relating to SPC's delivery of services to members, and is fully accountable to CRGA and Conference for any failure to meet the organisation's objectives.

12. The Director-General supports the functions of the Audit and Risk Committee, CRGA and Conference. He or she provides leadership for the development of the organisation's strategic direction, work programme, and budget and performance framework against which the organisation's performance is measured.

13. The Director-General is supported by the senior management team (SMT) comprising the three Deputy Directors-General and the Director of the Strategic Engagement, Policy and Planning Facility. The SMT is in turn supported by the broader executive management group comprising the directors of the technical divisions under the programmes directorate, and the directors and heads of sections under the Operations and Management Directorate.

Discussion

14. As noted above (paragraph 7), CRGA currently has both a programmatic role and a direct governance role. In seeking ways to strengthen the organisation's governance arrangements, one starting point could be to focus the role of CRGA on organisational governance, with ministerial and heads of sector meetings taking on more responsibility for oversight of SPC's technical programmes.

15. Such an arrangement would remove the programmatic oversight function from CRGA's role. It could, however, create a challenge in relation to how SPC's work programme, which covers around 20 sectors across seven technical divisions, would be considered and approved annually for implementation.

16. Specific capacity building training could be arranged for CRGA delegates ahead of meetings to address issues such as the role of governing bodies, and roles and responsibilities of delegates to governing body meetings.

Proposed review

17. The secretariat proposes that CRGA consider commissioning a review of SPC's governance arrangements in 2014 to make recommendations on how they might be strengthened, noting the importance of delineating the roles of 'governance of the organisation' and 'governance of SPC's technical work programme – its prioritisation, planning, delivery and evaluation'.

18. The findings and recommendations of the review would be presented to CRGA 44 in 2014 for its consideration, with any changes to be implemented in 2015.

19. If CRGA 43 decides to commission the review, it may wish to consider the draft terms of reference for the proposed review annexed to this paper.

Recommendations

20.   CRGA is invited to:

    i.   discuss the importance of further strengthening SPC's governance processes, including through clear delineation of the governance of organisational functions and governance of programmatic functions, both of which are currently undertaken by CRGA; and

    ii.   consider commissioning a review of SPC's governance processes in 2014, as proposed in this paper, with the findings and recommendations of the review to be presented to CRGA 44 in 2014.

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DRAFT TERMS OF REFERENCE FOR REVIEW OF SPC'S GOVERNANCE PROCESSES

Introduction

1.   The Secretariat of the Pacific Community wishes to commission a consultancy to review its governance arrangements and make recommendations on how they might be streamlined and strengthened.

Purpose of the review

2.   The purpose of the review is to clarify the functions, roles and responsibilities of the SPC Conference, the Committee of Representatives of Governments and Administrations (CRGA), the Audit and Risk Committee (ARC), sector ministerial and heads of sector meetings, the Director General and the senior management team (SMT) and other meetings and processes that may impact on SPC's governance arrangements, and make recommendations for strengthening them, including changes that might be required to roles and systems documented in the Tahiti Nui Declaration.

Terms of Reference (TORs)

3.   The consultant (s) will undertake the following tasks as part of the review:

   i.   Review and clarify the functions, roles and responsibilities of:
   - a.   the SPC Conference, CRGA and ARC;
   - b.   sector ministerial and heads of sector meetings;
   - c.   the Director General and the senior management team and internal governance processes.

   ii.   Based on the findings under (i) above and guided by the organisation's wish to streamline and further strengthen its governance processes whilst ensuring effective delivery of its technical work programme:
   - a.   recommend how SPC's governance arrangements could be further streamlined and strengthened, including provision of specific capacity development initiatives;
   - b.   clarify the respective roles of CRGA and sector ministerial / heads of sector meetings, especially in relation to technical programmes;
   - c.   discuss whether, and how, sector ministerial / heads of sector meetings could take more defined responsibility in relation to SPC's technical work programmes;
   - d.   identify any redundancy in existing governance arrangements and processes;
   - e.   identify gaps that may exist in current governance arrangements and recommend effective mechanisms to fill the gaps.

   iii.   If any of the tasks under (ii) above involve making changes to any of the functions, roles and responsibilities of existing mechanisms, or require the establishment of new mechanisms, prepare and present the:
   - a.   revised descriptions of existing mechanisms;
   - b.   TORs for any new mechanisms being proposed;
   - c.   tentative costs for implementing the recommended changes.

   iv.   Prepare a schedule for implementation of any changes that are recommended for consideration by the secretariat and CRGA and Conference as necessary, effective from 2015.