

**FORTY-EIGHTH MEETING OF THE
COMMITTEE OF REPRESENTATIVES OF GOVERNMENTS AND ADMINISTRATIONS**
(26–28 June 2018, Noumea, New Caledonia)

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

(Paper presented by the Secretariat)

Summary

1. This paper presents an overview of SPC's key activities in the past year, and challenges and priorities for the coming year. Many of the issues raised are discussed in more detail in other meeting papers.
2. We are making good progress in implementing the Pacific Community Strategic Plan 2016–2020. A mid-term review of the Strategic Plan is scheduled for 2018 following the methodology agreed with the CRGA Subcommittee established to guide its implementation. The review will identify areas for enhancement during the second half of the plan period and will also inform the development of the new strategic plan. Overall, given the financial challenges faced in recent years, I am satisfied that SPC is well positioned to meet the development challenges of the region in the coming years.
3. The SPC change and transformation agenda that began in 2014 is showing encouraging results with respect to implementing the new business model, integrated programming and the focus on results and impact. Most divisions and teams now have business plans that reflect the new approach and a new culture is emerging at SPC. Integrated and country programming will further enhance a move away from vertical and silo planning towards an integrated approach to the development needs of our members. Improvements to our finance, ICT and human resources (HR) systems are ongoing. HR continues to be a challenge for SPC and further improvements are needed.
4. An important objective of our Strategic Plan is to strengthen both members' engagement with SPC and our country presence. Although financial constraints have limited our ability to enhance this engagement, it is a priority for SPC given the region's changing development landscape, reduced financial resources and increasing number of entities involved in development in Pacific Island countries and territories (PICTs). In this regard, maintaining effective relationships with Pacific leaders is a priority for SPC. The planned review of SPC's configuration will include a review of existing regional offices.
5. The prioritisation process that began with the financial crisis of 2015 has delivered greater clarity for staff in respect of our priority areas for further investment, and areas that SPC will not invest in further or will eventually exit. Ten areas have been identified for development with two planned for development into world-class centres of excellence, consistent with SPC's mandate and comparative strengths. Several low-priority areas have also been identified and SPC teams are working with member states and partners on alternative delivery arrangements for services in these areas. In some areas, rather than exit completely, SPC will consider 'rationing' services to members most in need and

without their own capacity; e.g. animal health services are unlikely to be available to large member states.

6. Integrated and country programming is a priority for SPC, but implementation of the policy has been slower than expected. A senior staff member recruited this year is making good progress on facilitating the necessary procedures and systems within SPC and is working with teams to establish a coherent and effective programming function across SPC. An external consultant has prepared a draft report on country programming that we are considering carefully, given that this is a critical part of the engagement between SPC and members.
7. We have improved our financial management and budgeting processes, but the financial outlook for SPC remains fragile. At this stage, we anticipate a budget deficit in 2019 of approximately EUR 2 million. The deficit reflects several factors including currency fluctuations, non-payment of assessed contributions and host country grants, and a reduction in project management fees for some of our big divisions. Given SPC's heavy reliance on project fees, fluctuation in revenue from projects is expected. We have made good progress in reducing ineligible expenses for European Union (EU) projects and made provision in our budget to meet any outstanding amounts.
8. Most SPC members pay their assessed contributions on time. However, despite our best efforts to ensure that contributions are paid promptly, a small number of members are in arrears, which further aggravates SPC's financial situation. As at 1 June 2018, arrears totalled 5.8 million Euro, consisting of unpaid assessed contributions and host country grants. Member states in arrears are Papua New Guinea (PNG), Solomon Islands, American Samoa and the Commonwealth of the Northern Mariana Islands (CNMI). We have implemented the policy on arrears approved at CRGA 47, which places limitations on the participation of affected members. CNMI is a chronic and intractable challenge despite repeated efforts to secure a resolution. CRGA is advised to reflect on the impact of restrictions on participation by some members and the impact this will have on the Pacific Community family.
9. SPC has recruited a senior staff member dedicated to strengthening resource mobilisation in support of existing efforts by divisions and teams. The resource mobilisation effort has streamlined procedures at SPC and contributed to improved coordination of our efforts with development partners. We intend to strengthen our resource mobilisation activities in 2019.
10. The change and transformation process at SPC has streamlined the way divisions develop their business plans. All divisions are now well placed to deliver on the priorities agreed to in the prioritisation process and with sector leaders and ministers. The merging of the Geoscience and Economic Development Divisions to form the Geoscience, Energy and Maritime (GEM) Division is complete and a new business plan has been agreed. The Pacific Community Centre for Ocean Science (PCCOS) is another excellent example of cross-divisional collaboration in SPC.
11. Independent reviews have been completed for all divisions except the Public Health Division (PHD), which will be reviewed in late 2018. The changes that have been made in response to these reviews will enhance the performance of SPC divisions and teams.
12. SPC relies on partnerships with other organisations that share our vision and objectives, especially the Council of Regional Organisations in the Pacific (CROP). The relationship between CROP agencies has improved markedly in recent times and there is a strong sense of shared purpose. Implementation of the decisions of Pacific Islands Forum Leaders, especially the Framework for Pacific Regionalism (FPR), is a key focus.

13. Our strategic partnerships with the Government of Australia and Government of New Zealand are working well. These relationships reflect the importance of these two founding members to SPC and the Pacific region. A multi-year partnership is currently being negotiated with the Government of France for signature in early 2019.
14. The development landscape in the region is complex and resources are more difficult to secure. The operating environment in some of our host country members has also become more challenging. Limitations on SPC's ability to operate efficiently, and ongoing resource constraints, require a strategic review of our current configuration. We are seeking the support of members to explore decentralisation of selected SPC teams beyond existing locations. We will also consider all options with members to obtain the most effective configuration for SPC in the medium and longer term. Members are reminded that the Pacific Centre for Renewable Energy and Energy Efficiency (PCREEE) was established in Tonga in 2017. Clearly, the cost-benefit profile of any change will be a critical factor in these decisions.

Recommendations

15. CRGA is invited to:
 - i. note the progress being made in the SPC change and transformation agenda;
 - ii. note the continuing weak financial situation of SPC;
 - iii. approve exploration of further decentralisation of selected SPC teams, including the analysis of the costs and benefits of various options for CRGA consideration.

Director-General's report

Purpose

16. This paper presents (a) an overview of SPC's key activities in the past year, and key challenges and priorities for the coming year; and (b) an update on our progress in implementing the decisions of CRGA 47 (Annex A).

Background

17. SPC continues to deliver high-quality services to its members despite chronic resource constraints and increasing demands. Detailed results of our work in 2017 can be found in the Pacific Community Results Report 2017, which shows that we are making good progress in implementing our Strategic Plan 2016–2020 (Paper 5.1). The CRGA Subcommittee for Implementation of the Strategic Plan noted with satisfaction the progress made and requested that the report also relate the results achieved to the resources invested. Progress on implementation has been constrained by budgetary limitations and challenges. The Secretariat draws CRGA's attention to the planned mid-term review of the Strategic Plan (Paper 5.1). The review will provide guidance on priorities for the remainder of the plan implementation period and inform the development of the next plan.

Change agenda

18. We have made excellent progress in implementing the change agenda. Key components of the agenda include:
 - setting priorities through the prioritisation process and identifying fewer high-value areas of work, consistent with SPC's mandate and comparative advantage, and lower priority areas for disinvestment over time;
 - modernising our finance systems, implementing a new business model and improving financial management and budgetary practices in SPC, including applying full cost recovery (FCR) for selected services;
 - improving reporting of our results and developing a consolidated Results Report to streamline reporting;
 - progressing integrated and country programming across SPC and enhancing cross-divisional planning, project design and implementation;
 - commissioning independent external evaluation of all divisions, and developing new business plans to better align divisional plans with the priorities of the Strategic Plan;
 - investing in staff development;
 - enhancing SPC's visibility.
19. A new culture is emerging at SPC with a greater focus on priority setting, improved cross-divisional planning and programming, financial discipline and efficient project execution. While project execution rates remain unsatisfactory in some divisions, staff are aware of the implications for our revenue streams and finance teams are working with divisions to improve the situation.
20. Key priorities of our Strategic Plan include strengthening members' engagement and increasing SPC's visibility in member states and across the region. Engagement with members, leaders and stakeholders has been a focus of my activities in the past year. While SPC's media and public profile continues to improve, engagement with members and leaders varies. CNMI has been in arrears for over 15 years

and our attempts at re-engagement have been unsuccessful. Three members have been in arrears for more than two years and one member for over a year. Arrears may reflect the value they place on their membership of SPC. Furthermore, SPC members in the northern Pacific (Palau, Federated States of Micronesia (FSM) and Marshall Islands) have expressed some disquiet at the level of services available from the Micronesian Regional Office. Feedback about the Melanesian Regional Office has been positive. Resource constraints have been the major factor limiting our engagement with members. Despite these constraints, we continue to engage at strategic events with members, leaders and other stakeholders. A key part of this engagement is our partnership with CROP agencies. Effective engagement with our members and support from leaders are critical for SPC.

21. SPC's prioritisation process has evolved over the past two to three years in response to changing drivers and context. Initially it was driven by an urgent financial challenge and by the Secretariat's commitment to fiscal responsibility. Phase two of the process focused on identifying areas where we will seek to strengthen our scientific, technical and policy capacity to better address the needs of the region and our members. The results of phase two, including the 10 priority areas that were identified, were presented to members at CRGA 47 and have been discussed in detail by the CRGA Subcommittee for Implementation of the Strategic Plan.
22. SPC's 10 priority areas are:
 - i. developing and applying fisheries science (striving towards developing an area of excellence)
 - ii. developing and applying plant and crop genetic resources (planning to develop an area of excellence)
 - iii. regional education qualifications and assessment (a regional 'public good')
 - iv. public health surveillance (a regional public good)
 - v. climate change and disaster risk resilience/management (including climate-smart agriculture and GIS mapping)
 - vi. ocean management and governance (including maritime transport and boundaries)
 - vii. regional data coordination and dissemination
 - viii. human rights, including gender equality and youth
 - ix. energy
 - x. non-communicable disease.
23. The results of the prioritisation process will now be embedded in our work. Rather than being a discreet activity, prioritisation will become a normal part of the way we do business across the Secretariat as part of our efforts to foster institutional strengthening and responsibility, and to focus our energy and resources on areas where SPC can make the most impact.
24. Our 10 priority areas will inform decisions at unit, section, division and whole-of-organisation level on resource mobilisation and use and allocation of existing financial resources.
25. Priority areas will be strengthened and non-priority areas will not be actively grown. The following questions will help guide considerations of new funding, new programme design and discussions with partners and members:
 - i. Is this our area of comparative advantage relative to other stakeholders in the region?
 - ii. What has been our experience? What is the evidence telling us about the outcomes achieved, for whom and how?
 - iii. Is this consistent with our key organisational and dynamic capabilities (i.e. scientific and technical assessment, development of policy and legislation, capacity building, convening of regional meetings, etc.)?

iv. Is this consistent with SPC's programmatic approaches (i.e. integrated, life course, whole of ecosystem, country, etc.)?

26. Integrated and country programming is a key strategy of our change and transformation agenda. Integrated programming is designed to improve cross-divisional planning and project design and implementation, and to reduce vertical and single-issue projects. It is closely related to country programming. An external consultant has provided an analysis of country programming and how best to enhance SPC activities with member states. Country programming, in comparison to the previous joint country strategies (JCS), focuses on fewer areas and reflects member states' national development plans. A senior member of staff has been recruited to provide leadership and support for integrated and country programming across SPC and we anticipate progress in 2018.

Financial position and outlook

27. SPC's financial outlook is weak despite efforts over recent years to strengthen systems and improve overall financial management. Fluctuations in project management fees, volatility in our trading currencies, failure by members to pay assessed contributions on time and a reduction in host country grants have undermined our efforts to secure a stable financial platform for SPC. In addition, SPC has a small number of members who are in arrears, owing a total of EUR 5.8 million as at 1 June 2018. We have been able to continue delivering most services despite budget deficits extending over several years. We estimate that we have saved approximately EUR 8 million to date without reducing services. We have also made provision for all EU ineligible expenses and allocated EUR 1.5 million to support innovation in SPC in 2018. We expect another budget deficit in 2019 and draw CRGA's attention to our financial situation and the likelihood that some services may have to be curtailed in the near future unless effective solutions are found. (Paper 7.2 gives details of our financial situation and proposed solutions.)

28. In the last year, the Secretariat has made a considerable effort, supported by the EU Delegation in Fiji, to reduce the amount of ineligible project expenses from EUR 6.4 million to EUR 3.0 million. Work is continuing to further reduce the amount. This reduction has been achieved through renewed effort and willingness on the part of the EU Delegation and Secretariat staff to review the documentation provided as evidence of project expenditure. It is pleasing to note that what was a significant financial risk for SPC has been brought under control and provision has been made in our budget process to meet any residual costs.

29. Furthermore, the EU gave the Secretariat a positive assessment in relation to its seven-pillar assessment framework (internal control systems, accounting systems, independent external audit, grants and procurement, and sub-delegation and financial instruments). This positive result places SPC in a good position to further implement EU projects and to mobilise resources from other entities that hold EU pillar assessments as a standard that an entity must pass to be deemed a credible partner.

30. In addition to the financial measures outlined above, we have recruited a senior staff member dedicated to strengthening resource mobilisation within SPC and supporting the existing efforts of divisions and teams. The resource mobilisation initiative has streamlined procedures at SPC and contributed to improved programming and project design. The investment has also resulted in some limited additional resources.

31. During the year, we recruited an experienced Director of Human Resources and HR staff have continued updating all policies and procedures. However, the HR function at SPC remains under strain due to high demand for recruitment and the consequences of the change agenda. We have continued

to provide professional development opportunities for staff within the limited budget provisions in divisions. A third staff cohort is undertaking the SPC Leadership Development Programme in 2018 and a second cohort will undertake the Management Development Programme provided by the Singapore Government. Both these programmes have had positive feedback. We are planning a formal assessment of staff engagement during 2018. As agreed at CRGA 46, a report from the Staff Representative Committee (SRC) is attached as Annex B.

32. In Noumea, we are discussing the implications of the independence referendum with New Caledonian and French officials.

Divisional structures and strategy

33. A critical part of the change agenda is the independent external review of all divisions and teams. All divisions have now been evaluated except the Public Health Division. The PHD evaluation is planned for 2018. These independent reviews have identified new directions and priorities for each division and areas for development. (Annex C presents highlights for SPC divisions and teams.)
34. A highlight of the year was the visit in May 2018 of the President of France, M. Emmanuel Macron, to New Caledonia, which included a High-Level Dialogue with Pacific Leaders on Climate Change and Biodiversity. There is a strong link between the Republic of France and the Pacific region on climate change and SPC has been privileged to facilitate these exchanges.
35. The Statistics for Development Division (SDD) has made excellent progress in implementing a new direction and priorities following the independent external review of the division. SDD will now act as the 'system leader' for statistics in the region with a greater focus on data analysis and dissemination, and less involvement in data collection. Agreement has also been reached with Forum Economic Ministers to provide governance oversight for the work of SDD and statistical issues across the region. An important priority for SDD is to secure resources to implement its business plan. SDD is also seeking to build its reputation and credibility in the region, working closely with National Statistical Offices in member states.
36. The Climate Change and Environmental Sustainability (CCES) Programme has made good progress since it was established in 2016. The primary purpose of the programme is to coordinate climate change related activities in SPC and manage relationships with external agencies involved in climate change activities, such as SPREP and PIFS.¹ CCES is also leading the SPC accreditation process for the Green Climate Fund (GCF) and other global finance facilities. We are fortunate that the French Government has extended funding for the programme leader and is providing additional resources, as announced during President Macron's visit. Clearly, we need to step up our support for SPC's climate change team in view of the likely increased demand for assistance from member states.
37. The Public Health Division (PHD) is making excellent progress in rebuilding its core public health capacity and capability following the discontinuation of the relationship with the Global Fund to Fight AIDS, Tuberculosis and Malaria. PHD will now focus on surveillance and outbreak, including support for the Pacific Public Health Surveillance Network (PPHSN), NCD prevention and control and management of regional governance arrangements for Pacific Heads of Health and ministerial meetings. In recent times, PHD has been successful in securing additional programme resources from Australia and New Zealand and EUR 3 million from AFD2 to support PPHSN and surveillance across the region.

¹ Secretariat of the Pacific Regional Environment Programme (SPREP); Pacific Islands Forum Secretariat (PIFS).

² Agence Française de Développement/French Development Agency.

38. An independent external review of the FAME Division was completed in late 2017. The Pacific Community Centre for Ocean Science (PCCOS) was established in 2017 following endorsement at CRGA 47. PCCOS brings together all SPC ocean and maritime-related scientific and technical activities in one consolidated (virtual) centre with the intention of building a world-class Centre of Excellence. In the first phase, we are building a data portal (linked to host divisions) to facilitate the availability and accessibility of all relevant data in SPC. We have allocated resources to the centre to begin primary research into methylmercury contamination in Pacific fish and the health effects of microplastics. Our aim is that PCCOS will become the primary source of ocean science data and information for CROP agencies, member states and other stakeholders.
 39. After an extended period of funding uncertainty, the Education Quality and Assessment Programme (EQAP) is now well established and performing satisfactorily. The programme is well led and the governance arrangement with the Pacific Board for Educational Quality (PBEQ), a subcommittee of CRGA, is working well. EQAP has identified its core functions and priorities and secured funding for its work. An important EQAP activity is the Pacific Islands Literacy and Numeracy Assessment (PILNA) programme, which assesses literacy and numeracy skills across the region. EQAP is also the repository of the Pacific Register of Qualifications and Standards.
 40. The Social Development Programme (SDP) has refined its purpose and core functions. The programme will reduce its focus on country and regional/global activities to focus on support for mainstreaming gender and youth across SPC programmes. The new approach adopts a social inclusion philosophy and will assist all programmes to consider the needs of women, youth and people with disabilities in programme design and delivery. SPC has developed a child protection policy and SDP is providing training for staff on the elimination of violence against women and girls. A recent review of SDP's culture component has affirmed the importance of culture in the region and SPC's role in providing technical support for cultural activities. SDP will continue to provide guidance to members hosting the Festival of Pacific Arts.
 41. The Regional Rights Resource Team (RRRT) provides policy and legislative support to members to protect and promote human rights across the region. A new Director recently began work and the team has relocated to the Nabua campus. Members are generally appreciative of RRRT's work.
 42. The Director of the Land Resources Division (LRD), who was appointed in February 2017, has led a review and reorganisation of the division. LRD now has four thematic pillars supported by technical advisors. Working across these pillars will facilitate the development of integrated programmes relating to the four themes: genetic resources, natural resources management, sustainable and nutrient-sensitive agriculture, and markets. The business case for LRD was presented to the meeting of Heads of Agriculture and Forestry (HOAFs) and ministers in October 2017, which coincided with the first Pacific Week of Agriculture, hosted by Vanuatu.
 43. 41. LRD is progressively taking an integrated approach to programming as the best means of accelerating progress towards achieving SPC's development goals and the Sustainable Development Goals (SDGs). The first integrated programme is Pacific Seeds for Life, which aims to develop viable and sustainable seed systems to increase farmers' ability to adapt to climate change and improved nutrition and plant health. Countries will develop strengthened enabling mechanisms and policy environments for effective seed production and marketing systems.
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44. The Geoscience, Energy and Maritime (GEM) Division is the result of merging the Geoscience and Economic Development Divisions. The merger seeks to maximise the synergies between the two divisions. GEM has four teams:
- Resources and Energy
 - Oceans and Maritime
 - Disasters and Community Resilience
 - Programming, Performance and Systems.
45. The Pacific Centre for Renewable Energy and Energy Efficiency (PCREEE) was recently established in Tonga with funding from UNIDO,³ and the Governments of Austria and Tonga. PCREEE is part of a global network established as part of UN SE4ALL (Sustainable Energy for All) to promote sustainable energy markets, industries and innovation. The main counterparts are SPC, the Sustainable Energy Island and Climate Resilience Initiative (SIDS DOCK) and the Government of the Kingdom of Tonga. The centre will provide key technical services to SPC member states and cooperate with other regional sustainable energy centres for SIDS (ECREEE, CCREEE) in the context of implementing the SAMOA Pathway, SDG 7, SDG 9 and Nationally Determined Contributions under the Paris Agreement (SDG 13).
46. The Maritime Technology Cooperation Centre (MTCC) was established at SPC in 2017. The centre is funded by the International Maritime Organisation (IMO) as part of the global network. Regional MTCCs will deliver on agreed project milestones over a three-year period, making a significant contribution to IMO's continuing, widespread efforts to ensure effective implementation and enforcement of global energy-efficiency regulations for international shipping.
47. The Operations and Management Directorate (OMD) has made significant changes in the way it operates to support SPC's change and transformation agenda. HR staff have revised the SPC performance development system and are completing a review of all HR policies and regulations. Gender equality is identified as a regional cross-cutting issue in SPC's strategic plan. Accordingly, the Secretariat has adopted a range of HR policies and strategies to progress gender equality and to mainstream gender in its work and in services provided to members. Part of this work has included a significant review and rewrite of key policies, such as *Gender, equal opportunity, recruitment and selection* and *Discrimination and harassment*, and the development and deployment of organisation-wide training programmes on domestic violence. The programmes include a strong focus on the provisions of the *Child protection* policy and associated awareness and support.
48. OMD is investing resources and effort in improving SPC's finance and information management systems. Video conferencing equipment has been purchased and is currently being installed to promote collaboration between divisions and within divisions and reduce SPC's travel costs. The equipment provides better quality audio and video with fewer disruptions. A new HR management system is being implemented. It will support all HR functions, including the improved performance development methodology and new HR policies. A new financial project management system is also being implemented to extend our current financial management system. It will allow tracking of project activities quantitatively (time, expenditure, execution rates, procurement planning, etc.) and will support SPC's project managers by providing a deep 'finance-centric' view of their projects. A new Intranet, which was delivered in early 2018, provides a central site for all policies, news and corporate lists.
49. Information Services has started a programme of work to deliver a whole-of-the-Pacific data portal, intended to deliver a central platform for Pacific data. Data and information products from Pacific

³ United Nations Industrial Development Organization.

Island countries and territories, donors, partner organisations, industry, academia, other external parties and SPC may be curated, discovered and accessed through confidential, restricted or open data licensing agreements.

50. SPC's first Social and Environmental Responsibility (SER) policy was adopted in April 2018 (attached as Annex D). The aim of the SER policy is to manage the social and environmental risks and impacts inherent in all SPC activities in an ethical and sustainable way in three key areas: people, operations and programmes. The policy will have a positive impact on individuals, enhancing the fulfilment of staff and stakeholders involved in SPC activities, with SPC promoting diversity and inclusion, ensuring equal rights and promoting a safe, healthy and dynamic work environment. It will also apply to operations, with SPC committing to environmental protection with a focus on carbon neutrality and zero waste. Finally, SPC commits to screening the risks of programmes and projects to deliver activities that maximise benefits while minimising social impacts and environmental degradation.
51. SPC has well-developed partnerships with several institutions. The most important of these partnerships is our membership of the CROP family, which consists of nine regional agencies. The relationship between SPC and CROP agencies continues to improve. A key focus of our shared agenda is the implementation of the Framework for Pacific Regionalism (FPR) and related activities, including the Pacific Resilience Partnership and the Framework for Resilient Development in the Pacific (Paper 6.2). SPC also has well-established working relationships with EU and GIZ (the German Development Agency). Our relationships with the Government of Australia and Government of New Zealand are shaped by our strategic partnerships and annual high-level meetings with both founding members. A strategic partnership is currently being negotiated with the Government of France for signature in early 2019.
52. Despite more than 70 years of development assistance to members, there is little awareness in Pacific nations about SPC and the work it does. Over the last few years, we have invested in a communications function and recently added a senior staff member based in Noumea. A new one-SPC intranet was implemented in early 2018 and a website upgrade will be released during CRGA 48.
53. The adjustments made to our communication approach are making an impact. Although website revision work has resulted in lack of growth, we have held a good audience base with great potential to expand. Corporate communications tracks progress quarterly and adjusts strategy to take advantage of opportunities. There has been steady traffic to our website with over 56,000 visits per month. On social media, there has been a 30 per cent increase in engagement on Facebook and 200 per cent increase in engagement on Twitter. Our Twitter presence is growing rapidly and is strong internationally, increasing our reach to partners, media, donors and the academic community.

Looking to the future

54. The development landscape in the region is complex with more entities seeking a place to advance their objectives. At the same time, resources for development are declining and competition between agencies is increasing.
55. Pacific Island nations are seeking new partnerships beyond their traditional partners around the Pacific rim. The long-established support provided to SPC by our host countries is becoming more challenging. Furthermore, a small number of members have not paid their assessed contributions and we have been forced to reduce the level of host country grants that we are seeking from host members.

56. In view of these challenges, and to ensure SPC's sustainability and relevance, we are seeking approval from CRGA to review the current configuration of SPC and to decentralise selected divisions to strategic locations in the region where the infrastructure can support SPC teams, and where the host government has the ability and resources to support staff. These changes will strengthen the shared ownership and sustainability of SPC and increase access to resources to support the organisation. Naturally, these changes will only be made if the cost-benefit analyses are favourable.
57. The review of the SPC configuration will include the regional offices in FSM and Vanuatu to determine the costs and benefits of these offices. The Micronesian Regional Office (MRO) was due for a review in 2019 after a two-year period of renewed support. SPC members in the northern Pacific have expressed concern at the low level of services provided from the MRO and have requested SPC to increase the range available. Mobilising resources for the MRO is extremely difficult and we have been forced to reduce the level of the host country grant payable by the FSM Government this year. The Melanesian Regional Office has been more successful in mobilising resources. The Vanuatu Government has just begun paying the host country grant for the office. The Solomon Islands Country Office is no longer serving the purpose it was designed to achieve. Furthermore, repeated lockouts by the landlord due to non-payment of rent have been demoralising for staff. We are seeking to close the office and are discussing alternative options with the Solomon Islands government to support our work there.

Conclusion

58. Overall, SPC is well placed to meet the development challenges of its members over the next few years. We have refined our priority areas for further investment and identified areas for reduced investment over time. While SPC's financial situation and outlook remain fragile, system improvements, financial discipline and an improving reserve position will strengthen the position over time. Maintaining effective engagement with member states and leaders is a critical task for SPC's leadership. Given the challenges in the operating environment, we are also reviewing SPC's current configuration with a view to relocating selected teams to new regional locations.

Recommendations

59. CRGA is invited to:
- i. note the progress being made in the SPC change and transformation agenda;
 - ii. note the continuing weak financial situation of SPC;
 - iii. approve exploration of further decentralisation of selected SPC teams, including the analysis of the costs and benefits of various options for CRGA consideration.

Annex A: Implementation Action Matrix – CRGA 47 decisions

Context	CRGA 47	Comments re: implementation	Responsible Officer
AGENDA ITEM 2 – DIRECTOR-GENERAL’S REPORT			
<p>The Director-General presented an overview of key activities undertaken in 2016 to continue the Secretariat’s efforts to create an organisation that is effective and efficient, fit for purpose, clear in its mission and priorities, providing relevant, high-quality scientific and technical support to members, and that is sustainably funded. The organisation’s 70th anniversary in 2017 provided an opportunity to acknowledge members, development partners, and all those who have served the organisation and the region over the years – including, importantly, SPC’s staff and leadership – for the outstanding contribution they have made to SPC’s long history of achievement. The challenges of the next 70 years will not be the same as those of the last 70 years, and the Secretariat has been readjusting the organisation’s financial structure and its priorities to continue to respond appropriately to meeting the challenges faced by the Pacific region. The need for science and technology to understand and address these challenges has never been more important.</p> <p>SPC operates in an environment of declining resources available for development, and a crowded development space. This corresponds with rising expectations of members and other stakeholders for</p>	CRGA 47:		
	i. recognised the Pacific Community’s achievements for 2016, current and future challenges and priorities for action;	No action required	
	ii. provided guidance on the prioritisation process;	No action required	
	iii. acknowledged the efforts of members who pay their assessed contributions promptly, and encouraged members with arrears to settle them as soon as possible.	No action required	

Annex A: Implementation Action Matrix – CRGA 47 decisions

<p>efficient and appropriate service delivery by SPC, which requires the organisation to find the best way to deliver services. The Secretariat has continued its path to ensuring the full implementation of the objectives of the Pacific Community Strategic Plan 2016–2020 (SP 2016–2020) and has invested in a process of prioritisation with teams to better define the services the organisation should continue to provide, and areas that could be de-prioritised over time. The Secretariat has continued to strengthen SPC’s financial position, aiming to secure a sustainable financing regime for SPC to minimise the risks associated with external shocks, currency volatility and a constantly changing financial situation. This has involved the development of a resource mobilisation strategy, recruitment of a Resource Mobilisation Officer, implementation of full cost recovery (FCR) and improvements to business systems. All divisions have made significant savings as part of the overall effort to manage immediate budgetary needs and address systemic weaknesses in the use of resources. Internal reviews and strategic divisional reorganisations have been undertaken and this process is ongoing.</p> <p>Strategic partnerships with donors and other stakeholders remain critical to maintaining SPC’s effectiveness and sustainability, and the Secretariat acknowledges the ongoing support of its major partners. The Secretariat appreciates that many members pay their membership assessed contributions and host country grants on time; however, there are some members that are in significant arrears and this presents a significant problem, given the financial constraints faced by the</p>			
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Annex A: Implementation Action Matrix – CRGA 47 decisions

<p>organisation. The Director-General indicated that the arrears discussion would therefore be an important one and sought clear guidance on dealing with the issue. SPC's relationships with CROP agencies are working well, and continue to evolve and improve, with all agencies understanding the importance of working together to provide coherent policy advice to members and avoid duplication. A review of the CROP Charter was completed in the past year and all agencies are implementing the agreed changes.</p> <p>The Secretariat is progressively improving reporting on the achievements, results and impact of SPC's work. The Pacific Community Results Report 2016 was well received by the CRGA Subcommittee on the Implementation of the Strategic Plan. The Director-General discussed achievements, highlights and results across the organisation's divisions and programmes. The Pacific Community Results Report 2016 indicated that the Secretariat is endeavouring to report across divisions and to show impacts of SPC's work across sectors. The Director-General thanked delegates for their positive comments and said it was a pleasure to work for SPC.</p>			
<p>AGENDA ITEM 3 – THE PACIFIC COMMUNITY GOVERNANCE ARRANGEMENT</p>			

Annex A: Implementation Action Matrix – CRGA 47 decisions

<p>The Pacific Community Governance Review in 2015 considered that CRGA could benefit from new or improved terms of reference to clarify its mandate and authority. The Secretariat identified that SPC’s governance arrangements were extraordinarily complex, with legal provisions, non-legal arrangements and general practice frequently conflicting with one another. The legal situation was set out in full in the Secretariat’s paper to the CRGA Subcommittee on the Implementation of the Strategic Plan at its meeting on 30 November and 1 December 2016. The Secretariat proposed that the most pragmatic approach would be to bring all governance provisions together in a single document, ‘The Pacific Community Governance Arrangement’, for adoption by a Resolution of the 10th Conference of the Pacific Community in Noumea in July 2017. This Resolution would replace the Tahiti Nui Declaration and all other existing non-legal governance arrangements. As well as consolidating SPC’s governance provisions in a single modern document, this new resolution would clearly indicate that its provisions are an internal administrative arrangement as agreed between members of the Pacific Community</p>	<p>CRGA 47:</p>		
	<p>i. approved the Pacific Community Governance Arrangement and recommended its adoption by the 10th Conference of the Pacific Community;</p>	<p>No action required – as approved by Conference</p>	

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<p>until such time as the Canberra Agreement is formally amended to align accepted administrative practice with treaty provisions.</p> <p>The Secretariat extended its thanks to members who sent written comments or confirmation of their agreement with the draft Governance Arrangement that was circulated for comment to all members in February 2017. At its meeting on 20 and 21 June 2017, the Subcommittee endorsed the draft ‘Pacific Community Governance Arrangement’ and recommended its approval by CRGA 47 for adoption by the 10th Conference of the Pacific Community. The Secretariat and the Chair affirmed that this document should be seen as a living document that guides and strengthens the governance of SPC and is amenable to being updated on a regular basis as required.</p>	<p>ii. approved the draft Standards of Conduct for the Director-General of the Pacific Community and recommended their adoption by the 10th Conference of the Pacific Community.</p>	<p>No action required – as approved by Conference and in place for next DG recruitment process</p>	
<p>AGENDA ITEM 4 – PROGRESS IN IMPLEMENTING THE PACIFIC YOUTH DEVELOPMENT FRAMEWORK</p>			

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<p>The Secretariat presented an update on the Pacific Youth Development Framework (PYDF) 2014–2023, noting that it is a standing agenda item for CRGA, as agreed by members during the High-Level Dialogue on Youth at the Ninth Conference of the Pacific Community in 2015. CRGA 46 affirmed its support for progressing the PYDF in the context of regional prioritisation and recommended a focus on integration to enhance results in various sectors – particularly climate change, non-communicable diseases (NCDs) and food security – by ensuring that programme outcomes have both economic and social outcomes that benefit young people and communities. CRGA 46 suggested that SPC coordinate with other regional agencies and development partners, and explore existing mechanisms and capacity, including at the national level. SPC’s role in this area has been engagement in regional monitoring of youth, and its contribution to implementing the PYDF is relevant to two of the three goals articulated in the Strategic Plan. Progress has been made against all PYDF indicators, with significant advances made in relation to statistics for development, youth entrepreneurship and climate</p>	<p>CRGA 47:</p>		
	<p>i. noted progress made in strengthening partnerships and sharing resources for implementing the Pacific Youth Development Framework (PYDF) 2014–2023;</p>	<p>No action required</p>	
	<p>ii. endorsed the Secretariat’s proposal to mainstream youth issues through its development programmes;</p>	<p>This will need to be reported on next year – an update from the Director’s Forum and Programming Team will be useful</p>	<p>DDGs Suva and Noumea</p>

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<p>change. Under SPC Goal 1, a conceptual indicator framework has been drafted for relevant data collection and analysis to better understand the status of youth. Under SPC Goal 2, mapping has been used to identify gaps at regional and national level where resources may be best focused. Youth networks have been strengthened, and youth-led action and participatory decision-making have been supported for youth entrepreneurship and employment. Funding and capacity resources have been leveraged through strategic partnerships and through efforts to mobilise further resources.</p>	<p>iii. considered the need for additional, dedicated and focused resources and capacity to support the implementation of the PYDF.</p>	<p>A business case to be made and discussions with Finance on allocations</p> <p>Innovative solutions to be developed</p>	<p>SDP Director and Director, Finance</p>
<p>AGENDA ITEM 5.2 – REPORT FROM THE CRGA SUBCOMMITTEE ON THE IMPLEMENTATION OF THE PACIFIC COMMUNITY STRATEGIC PLAN: STRATEGIC PLAN MONITORING AND RESULTS REPORTING</p>			
<p>The Secretariat indicated that the two principal tasks of the CRGA Subcommittee on the Implementation of the Pacific Community Strategic Plan (Subcommittee) are to assess SPC’s performance in relation to its Strategic Plan 2016–2020, and act as a reference point for SPC’s prioritisation. The Subcommittee met on 20 and 21 June 2017, considered and reviewed the following matters and made recommendations or expressed its views to CRGA 47 and the Secretariat on each</p>	<p>CRGA 47:</p>		
	<p>i. noted the outcomes of the meeting of the CRGA Subcommittee on the Implementation of the Pacific Community Strategic Plan (Subcommittee), as contained in the Report from the CRGA Subcommittee on the Implementation of the Pacific Community Strategic Plan;</p>	<p>No action required</p>	
	<p>ii. in relation to the information provided in the Pacific Community Results Report 2016 on SPC’s performance,</p>	<p>No action required</p>	

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<p>matter: the Pacific Community Results Report 2016; SPC Prioritisation 2017–2018; the draft Pacific Community Governance Arrangement; the role of the Subcommittee in relation to the budget process; and advice on members’ arrears (assessed contributions and host country grants). The Subcommittee reviewed the Pacific Community Results Report 2016 and recognised the report as an excellent product that represented a great improvement on previous years’ reports, having also taken into account the advice of the November/December Subcommittee meeting. In relation to the information provided in the report on SPC’s performance in 2016, including achievements and challenges, the Subcommittee recommended that CRGA acknowledge the Secretariat’s performance in implementing the Strategic Plan 2016–2020, and consider the Subcommittee’s recommendations in respect of the preparation and content of future results reports.</p> <p>The Subcommittee clarified that the main intended audience of the Results Report is CRGA, and that the information provided in the report is compiled with principal consideration for the needs of this audience. The Subcommittee reviewed the Secretariat’s proposed prioritisation process for the period 2017–2018 and agreed to recommend that CRGA support the ongoing prioritisation process led by the Secretariat. The Subcommittee endorsed the draft Pacific Community Governance Arrangement, and recommended its approval by CRGA 47 for adoption by the 10th Conference of the Pacific Community, and endorsed the draft Standards of</p>	<p>including achievements and challenges, acknowledged the Secretariat’s performance in implementing the Strategic Plan 2016–2020;</p>		
	<p>iii. endorsed the Pacific Community Results Report 2016, noting that the Secretariat has incorporated improvements suggested by the Subcommittee at its November/December 2016 meeting;</p>	No action required	
	<p>iv. supported the ongoing prioritisation process led by the Secretariat, together with the four areas for immediate action, and the five priority areas that require further refinement by the end of 2017.</p>	<p>Prioritisation to continue with an update to the Subcommittee at their meeting 29–30 May 2018</p> <p>A further update has been included in the Director-General’s Report for 2018</p>	<p>DDGs Suva and Noumea</p>

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<p>Conduct for the Director-General of the Pacific Community, and recommended their approval by CRGA 47 for adoption by the 10th Conference of the Pacific Community. The Subcommittee endorsed the same process for adopting the 2018 budget as that approved by CRGA 46 for the 2017 budget. The Subcommittee received and considered the Secretariat’s update on members’ arrears, and referred this issue to CRGA, noting that the Secretariat will prepare a paper seeking CRGA’s endorsement of recommendations for handling the issue of arrears.</p> <p>The Secretariat presented a four-page ‘Executive Digest’ summary of the Results Report and acknowledged members’ positive feedback that the document provided a useful snapshot and guide for policymakers. The Secretariat explained that the purpose of prioritisation is to address the disparity between the organisation’s resources and demand for its services. The expected results of the prioritisation process include alignment of resource allocation and resource mobilisation with identified priorities, which should also allow SPC, in future, to reallocate resources to new or innovative initiatives that emerge as priorities. This will enable members to determine whether the organisation’s funds have been used efficiently.</p>			
AGENDA ITEM 6.1A – IMPLEMENTATION OF REGIONAL PRIORITIES UNDER THE FRAMEWORK FOR PACIFIC REGIONALISM			
<p>The Secretary-General of the Pacific Islands Forum Secretariat (PIFS) provided an overview of the</p>	<p>CRGA 47:</p>		

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<p>implementation of regional priorities under the Framework for Pacific Regionalism (FPR). These priorities were endorsed by Forum Leaders in 2016, and the required response by CROP agencies in support of this work has been agreed to by the Heads of CROP Agencies, as outlined in the 2017 CROP Action Plan. As a CROP agency, SPC has been an active partner in implementing a number of the priorities that were outlined. Members were appreciative of the update provided by the Pacific Islands Forum Secretariat, and expressed their appreciation for the attendance of the Secretary-General.</p> <p>The Director-General of the Pacific Community indicated that the priorities that have come through the FPR process relate to increased economic returns for fisheries and policy responses to cervical cancer in the Pacific. At the 2015 meeting of the Pacific Islands Forum, Leaders approved the sustainable roadmap for Pacific fisheries. This process is working well and continues with regular reports to Leaders. On coastal fisheries management, Leaders recognised that management of coastal fisheries resources has had a lower profile than oceanic fisheries and requires more attention.</p>	<p>i. supported the Secretariat to deliver on the priorities for regional action where it plays a key role, particularly for:</p> <ol style="list-style-type: none"> a. economic returns on fisheries; b. coastal fisheries management; c. cervical cancer; 	<p>Ongoing – the Secretariat has been very involved in the implementation of these key priorities</p>	<p>PHD, FAME and DG’s Office</p>
	<p>ii. encouraged the Secretariat to support regional priority setting through the Framework for Pacific Regionalism in its particular areas of technical expertise;</p>	<p>Ongoing – the Secretariat, through the DG’s Office, participates in the SSCR (specialist sub-committee on regionalism) and provides technical input to the analysis of submissions</p>	<p>DG’s Office</p>
	<p>iii. encouraged the Council of Regional Organisations in the Pacific (CROP) to continue to ensure a coordinated and collaborative approach towards the implementation of priorities for regional action, as identified through the Framework for Pacific Regionalism and endorsed by Pacific Islands Forum Leaders.</p>	<p>Ongoing – the Secretariat participates fully at all levels</p>	<p>DG’s Office</p>

**AGENDA ITEM 6.1B – FRAMEWORK FOR RESILIENT DEVELOPMENT IN THE PACIFIC –
ROLE AND GOVERNANCE OF THE PACIFIC RESILIENCE PARTNERSHIP**

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AGENDA ITEM 6.2 – FRAMEWORK FOR PACIFIC REGIONALISM – IMPLEMENTATION OF THE SIS LEADERS’ STRATEGY			
<p>The <i>Framework for Resilient Development in the Pacific: An Integrated Approach to Address Climate Change and Disaster Risk Management</i> (FRDP) was endorsed by Pacific Islands Forum Leaders in September 2016. The basis of regional governance to facilitate the implementation of the FRDP is the Pacific Resilience Partnership (PRP). The PRP Working Group has developed a proposal for the governance of the PRP and terms of reference, which was provided to the Forum Officials Committee (FOC) for its endorsement in August 2017 and to Pacific Islands Forum Leaders for their approval in September 2017. The FRDP and PRP represent a paradigm shift in how climate change, disaster resilience, and governance are approached in the Pacific. These issues will be progressed in consultation with stakeholders. Some concerns were raised about the PRP Taskforce membership, and whether the proposed composition enabled an equitable share of time for member states to be part of the Taskforce process.</p>	CRGA 47:		
	i. acknowledged the endorsement of the Framework for Resilient Development in the Pacific (FRDP) by Pacific Islands Forum Leaders in September 2016;	No action required	
	ii. supported the proposed governance arrangements for the Pacific Resilience Partnership, which will assist effective FRDP implementation, and noted that these arrangements will be recommended to Pacific Islands Forum Leaders for their endorsement in September 2017;	The Secretariat, through its Deputy Director-General Suva, Directors of GEM and CCES, and CC/DRM Adviser actively participate and support the governance arrangement	DDG Suva Director GEM, Director CCES CC/DRM Adviser
	iii. committed to supporting the successful implementation of the FRDP, given SPC’s regional role in leadership of disaster risk management and technical capacity in building resilience.	As above	DDG Suva Director GEM Director CCES CC/DRM Adviser
<p>The Director-General provided a status report on progress in the implementation of the Smaller Island States (SIS) Regional Strategy 2016–2020 endorsed by SIS Leaders in Koror, Palau, on 24 June 2016, and later</p>	CRGA 47:		

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<p>by Forum Leaders in Pohnpei, Federated States of Micronesia, on 9 September 2016. SIS of the Pacific Islands Forum represent the most vulnerable Forum Island countries. Their ‘unique and particular’ vulnerabilities, linked to their small size, lack of natural resources and remoteness, may limit their prospects of achieving the Sustainable Development Goals (SDGs). The SIS Regional Strategy aims to deepen the focus and benefits of regionalism by articulating a specific set of priorities and resources that service collectively the shared interests of, and subsequent benefits to, SIS. Pacific Islands Forum Leaders have reaffirmed that, given the smallness of SIS in terms of land area and population, and economic, social and environmental vulnerability, it is important to give them specific attention and assistance to ensure they derive the fullest possible benefit from regionalism. SPC has embedded the SIS Regional Strategy in its work plans.</p> <p>The Secretary-General of the Pacific Islands Forum Secretariat (PIFS) commended SPC for its support of and contribution to the work that is currently underway in progressing the SIS Implementation Plan. The Secretary-General suggested that the SIS strategy was one of the best strategies coming out of the regional work of CROP agencies. A particular lack in the strategic work of CROP agencies for SIS countries was aviation and air transportation services, and it was important that this area find a suitable home and that effective policy responses were progressed. Members agreed that aviation issues are an important enabler of economic development in the Pacific Islands region, particularly for SIS, and agreed that further discussions</p>	<p>i. confirmed the Secretariat’s role in delivering against Forum Leaders’ priorities, as outlined in the Smaller Island States (SIS) Regional Strategy 2016–2020;</p>	Ongoing	All technical teams and DG’s Office
	<p>ii. acknowledged the SIS Regional Strategy and Implementation Plan as the basis to articulate its support to the SIS regional priorities and aspirations within the Framework for Pacific Regionalism;</p>	Ongoing	All technical divisions and DG’s Office
	<p>iii. commented on activities within the SIS Implementation Plan where SPC and PIFS can build stronger partnerships, in order to access the requisite technical and financial assistance.</p>	Ongoing	All technical divisions and DG’s Office

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<p>were needed to ensure that Pacific regional organisations are able to properly address those issues. The Chair indicated that the discussion lent focus to aviation and air transportation services issues in the region, and where its coordination should sit, and that discussions would continue in relevant forums outside of CRGA.</p>			
AGENDA ITEM 6.3 – CROP COHESION AND COORDINATION			
<p>The PIFS Secretary-General provided a status report on developments facilitated by CROP since CRGA 46 to deepen the cohesion of CROP agencies in relation to the Framework for Pacific Regionalism. The Secretary-General summarised the key areas for CROP coordination and collaboration in 2017, as outlined by the 2017 CROP Action Plan, and the important role to be played by SPC. Key issues included the continued involvement of SPC in CROP, a standing annual dialogue, and whole-of-CROP coherence. The Secretary-General acknowledged that SPC has been a valued partner in the PIFS-led analysis of regional governance and financing arrangements.</p>	<p>CRGA 47:</p>		
	<p>i. confirmed the Pacific Community’s role in delivering against Forum Leaders’ priorities, as outlined in the 2017 CROP Action Plan;</p>	<p>Ongoing</p>	<p>All</p>
	<p>ii. supported emerging key messages of the Pacific Islands Forum Secretariat (PIFS)-led analysis of regional governance and financing arrangements and its implications for CROP agencies;</p>	<p>Develop plan for implementation of Leaders’ decision in close consultation with CROP CEOs – work in progress</p>	<p>DG DG’s Office</p>
<p>iii. commented on the working recommendations of the draft report of the Review of the CROP Charter, and agreed in principle to future endorsement of the CROP Charter, subject to endorsement by Pacific Islands Forum Leaders.</p>	<p>Ongoing</p>	<p>DG’s Office</p>	
AGENDA ITEM 7.1 – SALARY SCALE AND PROPOSALS FOR FISCAL YEAR 2018			

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<p>The Secretariat presented the 2018 SPC salary scales for positions advertised internationally and for those advertised locally in each of SPC’s five host countries. The scales proposed were in accordance with the recommendations of the 2015 CROP Strategic Triennial Remuneration Review (2015 Triennial Review). The proposed scales addressed the weakening position of the Secretariat’s salary scales compared to those of other CROP agencies, and the need to find solutions, while balancing operational budgets, to ensure SPC remained a competitive employer. In addition, SPC salaries in local markets have depreciated as a result of inflation in SPC’s main host countries. While a review of the SPC salary and benefits system was in progress, the Secretariat proposed interim adjustments to the SPC salary scales, taking the movement of other CROP agency scales into account. To ensure that SPC is able to remain attractive in the employment market, the secretariat proposed – using the same mechanism as in 2015 and 2016 – a 2% increase in the mid-point of the salary scales for positions advertised internationally. This was a cost-neutral adjustment in terms of budgetary impact. The Secretariat also proposed a general salary increase of 2% for all position types and locations to account for inflation across all SPC host countries. Provision was made for that cost in the 2018 budget. A review of SPC’s remuneration systems, including the SPC reference currency for the salaries of positions advertised internationally, and the performance development system, was approved by CRGA 46. This work was to continue throughout 2017, with a view to presenting recommendations to CRGA 48 in 2018 on an appropriate reference currency for SPC salaries for positions advertised internationally.</p>	CRGA 47:		
	i. approved a cost-neutral increase of 2% at the mid-point for all SPC salary scales (international and local), in all locations (Federated States of Micronesia, Fiji, New Caledonia, Solomon Islands and Vanuatu), with effect from 1 January 2018;	Implemented from 1 January 2018	HR and Finance
	ii. approved a 2% general salary increase for all SPC employees in all locations, with effect from 1 January 2018	Implemented from 1 January 2018	HR and Finance
	iii. noted the importance of CROP agencies continuing to work together on harmonising, to the extent possible, salaries and conditions of service, as well as the need to contain costs and enhance productivity;	Ongoing	Director HR
	iv. noted the update on the review of (a) the SPC reference currency for the salaries of positions advertised internationally, and (b) the performance development system	No action required	

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<p>In response to member concerns about the impact on the budget of the recommendations proposed, the Secretariat indicated that the efforts made by the organisation to address past budget deficits have had a significant impact on staff, and asked members to bear this in mind in considering the recommendations. The results that have been reported, and that members have commended, have been achieved by the organisation’s people. The financial impact of recommendation 2 was approximately EUR 300,000 (later refined to EUR 230,000 as recorded below), which should be seen against the substantial savings made by SPC over the past two budget cycles of approximately EUR 8 million. and in preparing the 2018 budget, and in that sense should be seen as fiscally responsible. SPC staff received a 0% increase in 2016, a 1.5% increase in 2015, and 2% increase in 2014. In 2015, senior staff of the organisation elected not to receive the salary increase, and in 2016 senior staff elected not to receive any performance-based salary increment.</p> <p>In respect of bilingualism, the Director-General said that, as a technical and scientific organisation, SPC has to be realistic about how this is applied in recruitment, while recognising the importance of the organisation’s bilingual character. The first criterion in recruitment must be technical competence, with bilingualism an important secondary criterion.</p>			
<p>AGENDA ITEM 7.3 – 2016 AUDITED FINANCIAL STATEMENTS</p>			

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<p>In accordance with SPC’s financial regulations, the audited 2016 Pacific Community financial statements and audit reports were presented for the consideration of CRGA. For the 21st consecutive year the records for both SPC’s overall finances and the Staff Provident Fund received unqualified audit opinions for the financial year 2016. The auditor expressed the opinion that SPC’s financial statements presented fairly, in all material respects, the financial position of the Secretariat as at December 31, 2016, in accordance with International Public Sector Accounting Standards (IPSAS). The presentation of the financial statements continues to evolve, in accordance with IPSAS. The structure of staff costs was outlined by the Secretariat – these involve direct salary in addition to the costs associated with maintaining staff in the various SPC locations in which they work and live. Members indicated their desire to be regularly updated on outstanding liabilities for the organisation, including those linked to EU project audits.</p>	CRGA 47:		
	<ul style="list-style-type: none"> i. adopted the 2016 audited financial statements for the Pacific Community and the Pacific Community Provident Fund, noting that they were unqualified and presented a true and fair view of the financial position and performance of these entities. 	No action required	
AGENDA ITEM 7.4 – 2017 REVISED BUDGET AND 2018 DRAFT BUDGET			
<p>SPC’s revised budget for 2017 and proposed budget for financial year 2018 were presented to CRGA, in accordance with SPC’s Financial Regulations, which require the Director-General to inform CRGA of budget revisions. Following the CRGA decision to adopt the euro as SPC’s functional currency from 1 January 2017, both the 2017 revised budget and the 2018 draft</p>	CRGA 47:		
	<ul style="list-style-type: none"> i. endorsed the “out-of-session” adoption of the revised 2017 budget; 	Refer to Circular 17-11	Director, Finance

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<p>budget are stated in euros. The revised 2017 budget was adopted out of session by CRGA in December 2016, following a review by the Audit and Risk Committee and the CRGA Subcommittee on the Implementation of the Pacific Community Strategic Plan at its meeting on 30 November 2016. The Subcommittee ‘endorsed the revised 2017 budget and recommended its submission to all CRGA members for comment and out of session adoption’. The revised 2017 budget, as approved, was a balanced budget totalling EUR 84.5 million (100.9 million CFP units), comprising a core budget of EUR 17.3 million (20.7 million CFP units) and restricted programme and project funding of EUR 67.2 million (80.2 million CFP units). The Secretariat projected a 2018 budget with a deficit amounting to EUR 0.87 million, derived from income of EUR 72.7 million less expenditure of EUR 73.5 million. Total income comprised projected core income of EUR 16.2 million and restricted programme and project funding of EUR 56.5 million. This was a decrease of EUR 11.9 million (13.7%) compared to the 2017 revised budget, primarily as a result of: a decline of EUR 10.7 million in restricted programme and project funding due to the continuing cycle of existing projects ending before funding agreements for new projects were finalised; and a reduction of EUR 1.17 million in unrestricted core funding. The Secretariat reported that the impact on SPC’s 2018 core budget of the proposed 2% general salary increase for all SPC employees in all locations, referred to in Agenda Item 7.1, would be EUR 230,000.</p>	<p>ii. noted the draft budget for financial year 2018, subject to:</p> <ul style="list-style-type: none"> a. the Secretariat presenting a revised 2018 budget that substantively addresses the current forecast deficit; b. review by the Audit and Risk Committee; c. review and endorsement by the CRGA Subcommittee on the Implementation of the Pacific Community Strategic Plan by December 2017; d. out-of-session adoption by all members of CRGA before 31 December 2017; 	<p>Refer to Circular 17-11</p>	<p>Director, Finance Director, SPL DG’s Office</p>
	<p>iii. noted the ongoing budgetary challenges for 2019 and 2020 that arise from SPC’s high reliance on cyclical project financing and encourage all members and donors to consider adopting flexible or multi-year programme funding modalities;</p>	<p>Keep a running brief</p>	<p>Senior Leadership Team (SLT)</p>

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<p>The Secretariat highlighted the projected project management fee item of EUR 2.9 million, representing a 0.18 million increase over the 2017 budget, despite reduced project income, which reflects improved recovery through effective project negotiation and documentation. This will continue to be a critical component of the organisation’s full cost recovery financial model. The principal purpose of SPC’s prioritisation process is to ensure that the projects SPC takes on are directly aligned with the priorities of the organisation. The Secretariat is committed to addressing projected budget deficits for 2018 and future years and to raising the resources necessary to fund initiatives under the Pacific Community Strategic Plan 2016–2020, together with any new or emerging priorities.</p> <p>The Secretariat underscored the importance of alignment between new projects and the priorities of the organisation’s Strategic Plan and outcomes of the prioritisation process, together with the need for increased flexibility in funding through programme funding modalities and implementation of full cost recovery.</p>	<p>iv. commended the Secretariat on its progress on establishing full cost recovery and urged all funders to support these important changes, including the 15% management fee;</p>	<p>Full cost recovery has been introduced and incorporated where feasible into all project proposals over the past year</p>	<p>All SLT and divisional staff</p>
	<p>v. recommend that the Secretariat ensure that all new projects are directly aligned to the priorities as outlined in the Pacific Community Strategic Plan 2016–2020 and as refined by the ongoing prioritisation process.</p>	<p>Communication to all programme staff on the wishes of CRGA on alignment to priorities when mobilising resources</p>	<p>All Directors DDGs and DG’s Office</p>
<p>AGENDA ITEM 7.5 – ASSESSED CONTRIBUTIONS AND HOST COUNTRY GRANTS</p>			
<p>The Pacific Community Governance Arrangement indicates that SPC’s budget is derived primarily from</p>	<p>CRGA 47:</p>		

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<p>assessed annual membership contributions and programme and project funding. From its inception, SPC's governance documents state clearly that members are expected to pay an annual assessed contribution: the Pacific Community Policy on Membership and Observer Status (SPC Membership Policy) provides that <i>'all members of the Pacific Community pay an annual assessed contribution to the organisation'</i>. The policy also indicates that admission as a member is dependent on a country's <i>'willingness and ability to make the annual financial contribution'</i> to SPC. This recognises that membership allows members to benefit from, participate in, or support the work of SPC. The Secretariat presented the current situation for payment of assessed contributions and arrears, representing a total of EUR 1,189,755. The Secretariat also noted that several other members had not yet paid their 2017 assessed contributions, amounting to a cumulative total of EUR 2,042,918. The Secretariat encouraged members with arrears to meet their obligations promptly.</p>	<p>i. encouraged all members in arrears to pay the full amount outstanding to the Secretariat before December 2017;</p>	No action required	
	<p>ii. invited those members who are unable to repay their full arrears to immediately enter into a repayment plan with the Secretariat;</p>	Ongoing monitoring	Finance DG, DDG Noumea and Director, Micronesian Regional Office

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<p>The Secretariat said the level of host country grants has been determined by negotiation between the Secretariat and host country, rather than through the application of a formula. However, the 8th Conference approved linking the level of host country grant more closely to the economic benefit that countries derive from the presence of an SPC office. On that basis, and with the endorsement of the 8th Conference, the Secretariat undertook negotiations with SPC host countries for new levels of host country grant. The Secretariat outlined the current status of assessment and payment of host country grants, and reiterated the importance of members recognising that host countries derive significant economic benefit from the presence of an SPC office in-country, and that the grant is understood as a long-term commitment to SPC's operations in the country. The Secretariat indicated that failure to pay a host country grant, or the payment of a lower level, demonstrates a lack of genuine commitment to the organisation, and undermines SPC's sustainable financing and its ability to maintain a decentralised office or regional antenna. The Secretariat sought CRGA's guidance on measures that could be taken if a member falls into arrears in assessed contributions or host country grants, where applicable, for a period of more than one budget cycle, and made proposals that would provide the organisation with a series of measures designed to encourage countries in arrears to regularise their situation promptly. The Secretariat considered that these measures would create a greater degree of accountability toward the organisation, while allowing sufficient flexibility to take into account the seriousness of the arrears issue and a</p>	<p>iii. encouraged those host countries that have not agreed to a new level of host country grant to constructively engage with the Secretariat to fix an adequate level of contribution, taking into account the economic benefit derived from SPC's presence;</p>	<p>Ongoing follow-up</p>	<p>DG DDGs Suva and Noumea Directors, Micronesian and Melanesian Regional Offices</p>
<p></p>	<p>iv. called on host countries that have not paid the agreed level of host country grant to do so before December 2017;</p>	<p>Ongoing follow-up with regular updates to be provided to DG</p>	<p>DG DDGs Suva and Noumea Directors, Micronesian and Melanesian Regional Offices</p>

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<p>member's willingness to address it through a repayment plan.</p> <p>Members supported the principle of meeting assessed contributions and host country grant payments. Members acknowledged that situations arise that are beyond members' control, including natural disasters, and expressed the view that any remedial measures adopted to address arrears should take this into account, and in particular should not have the effect of penalising members in instances arising from events beyond their control, nor should overly punitive measures be adopted. The Chair and Secretariat clarified that the issue of dealing with arrears remains a matter of supporting member participation in the organisation and is not a membership qualification issue.</p>	<p>v. agreed to the proposed set of measures that may be applied to members in arrears appearing in Annex A.</p>	<p>Ongoing and implementation</p> <p>Divisional directors have applied the measures when considering requests and when preparing regional meetings and workshops</p>	<p>DDGs Noumea and Suva</p> <p>Directors</p>
<p>AGENDA ITEM 9 – CRGA 48 VENUE, CHAIRPERSON AND VICE-CHAIRPERSON</p>			
<p>The CRGA Rules of Procedure state that CRGA should meet once a year at SPC headquarters in Noumea, except in the years when the Conference is convened, when CRGA meets immediately before the Conference at a venue chosen by SPC members.</p>	<p>CRGA 47:</p>		
	<p>i. noted that the venue for the meeting of CRGA 48 in 2018 will be Noumea, New Caledonia, and that members will be advised of the meeting dates in due course; and</p>		
	<p>ii. agreed that the Chair for CRGA 48 will be provided by Niue and the Vice-Chair by Palau.</p>		

Annex A: Implementation Action Matrix – CRGA 47 decisions

AGENDA ITEM 11 – OTHER BUSINESS (no outcomes)			
<p>Update on the Pacific Week of Agriculture</p> <p>Vanuatu provided an update on the date and venue of the inaugural Pacific Week of Agriculture, on the theme of Pacific Crops, Resilience, Opportunity, Products and Sustainability (CROPS), and extended a cordial invitation to delegates of Pacific Community member states and territories.</p> <p>Programme presentations</p> <p>Marshall Islands and Kiribati commended the programme presentations under Agenda Item 5 of CRGA 47, requested that these be undertaken in future CRGAs, and applauded the work of programmes</p> <p>Notes of appreciation</p> <p>CNMI and Pitcairn made interventions expressing appreciation, which will be recorded in the meeting record, along with those made by other members over the course of the meeting</p>			
AGENDA ITEM 12 – OBSERVER STATEMENTS			

Annex A: Implementation Action Matrix – CRGA 47 decisions

<p>CRGA noted with interest and appreciation the statements made by the Centre on Integrated Rural Development for Asia and the Pacific (CIRDAP), Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), European Union (EU), Korea Institute of Ocean Science and Technology (KIOST), Melanesian Spearhead Group (MSG), Pacific Islands Forum Secretariat (PIFS), Secretariat of the Pacific Regional Environment Programme (SPREP), Singapore Ministry of Foreign Affairs, South Pacific Tourism Office (SPTO), and United Nations Resident Coordinator, on behalf of all UN agencies in the Pacific, and the statement tabled by the University of the South Pacific.</p>			
<p>AGENDA ITEM 13 – ADOPTION OF CRGA DECISIONS</p>			
	<p>CRGA adopted its decisions.</p>		

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

Introduction

1. This report has been prepared by the staff representative committees of Suva and Noumea, in accordance with a request made by members at CRGA 46 for *the Secretariat to provide CRGA with information on significant staffing issues, including a joint report from the Staff Representative Committees.*
2. The *Staff Representative Committee Constitution* outlines the role of the Staff Representative Committee (SRC) as *a consultative forum that has a vital role in facilitating communication between staff and the Executive, acting in an advisory and representative capacity for staff, harmonising the staff rules and conditions across all SPC locations, and providing opportunities for networking.*
3. SRC Suva meets as a committee once per month, and typically meets with the Deputy Director-General Suva (Audrey Aumua) once monthly. The nominated SRC contact point in Noumea is the Director Human Resources (Craig Parker). SRC Noumea held a consultation with all Noumea staff on 29 March 2018. SRC Suva held four consultations with staff on four campuses in April 2018. The purpose of the consultations was to determine the key issues and concerns for staff, which were gathered through open forum discussions, as well through written feedback.
4. This paper is a condensed version of a report sent to all staff outlining ongoing issues in greater detail and including proposed solutions to the Executive. Copies of that document can be made available to members on request.
5. We offer our sincere thanks to the Director-General, Colin Tukuitonga, and to CRGA, for providing the SRCs, on behalf of all staff, with the opportunity to share priority issues and concerns to this forum.

Priority issues for all SPC staff

6. The priority issues, with a sample of specific concerns, are described below. The need for improved communication and transparency runs across all categories.
 - i. Band transparency and application of the Strategic Pay 10 (SP10) methodology, and review of salaries
 - ii. Job security and contract length
 - iii. Occupational health and safety and facilities
 - iv. A focus on, and investment in, local staff
 - v. Communication and transparency

Band transparency and application of the SP10 methodology, and review of salaries

7. There is considerable confusion and frustration around banding methodology and its application. This was raised in the SRC report to CRGA last year, yet appears again as an area of concern across all campuses.
8. Staff whose positions have been down-banded would like more clarity around the methodology and process applied.
9. Staff raised the issue that when their job descriptions (JDs) are altered and include a greater level of responsibility, this is not necessarily reflected in a move to a higher band.
10. Suva staff raised concerns regarding the significant gap between local Band 7 and international Band 8, noting that it's common for staff in local Band 7 positions to be undertaking responsibilities of a higher-band position.

Job security and contract length

11. Staff in Noumea and Suva expressed concern over job security in relation to contract length and the process around contract renewal. Staff say there is insufficient notice around the renewal of contracts, and staff are unhappy about the pervasiveness of short-term contracts.

Occupational health and safety and facilities

12. Suva staff face particular challenges regarding workplace facilities and conditions at all locations. The Director-General sent an email to all Fiji personnel on 12 April 2018 acknowledging the chronic problem there is with substandard workplaces for some staff in Suva. He also noted: *I am also acutely aware of the stark contrast with facilities in Noumea, noting the challenges with addressing these issues due to ongoing negotiations around the Host Country Agreement with Fiji.*

A focus on, and investment in, local staff

13. The 2017-2018 SRCs are very committed to representing the voices and issues of local staff. During the consultations especially, we heard from many local staff regarding job security, salary banding, the large gap between international salaries and benefits and those of local staff, the difficulty in keeping up with the cost of living, and the lack of opportunity for upward mobility. We believe SPC should regard the support and development of, and investment in, local staff, including training and development, as a priority and critical step in fulfilling the mission, values and goals of the organisation.

Communication and transparency

14. Staff noted a lack of communication around the introduction of major organisation-wide policies, such as full cost recovery (FCR), and a lack of practical support with its implementation.
15. Staff noted that they would appreciate systematic updates on the activities and meetings of senior management.

SRC Suva

Specific issues and concerns

16. **Harmonisation.** One of the overarching issues for SRC Suva is both a philosophical and practical matter – that is, the lack of harmonisation between SPC headquarters in Noumea (200 staff) and the Suva regional office (400 staff). It is felt that, from facilities to benefits, amenities to services, the Suva staff are not afforded the same level of investment as the Noumea staff. We have shared a long list of disparities with the Executive and HR, and look forward to continuing to work with them to achieve greater harmonisation with Noumea.
17. **Review of housing and education allowance** for international staff. Staff have noted that the current housing allowance is not aligned with market rates, and that the education allowance is not sufficient for recognised institutions, such as the International School Suva. HR has committed to undertaking a Housing Review, as well as a review of the education allowance, but has not provided a timeline.
18. **Provident fund.** This issue emerged strongly during the consultations as a priority for Suva staff, who feel SPC's contribution is too low.

SRC Noumea

Specific issues and concerns

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

employment law. As New Caledonians working in New Caledonia, local staff should have equal work rights to those of their compatriots.

20. **Reference currency for salaries of internationally recruited staff.** At CRGA 46 (2016), the Secretariat proposed a review of the currency used to determine the salaries of staff recruited in positions internationally. While the operating currency for SPC changed to the Euro as of 1 January 2017, there has been no similar change in the reference currency for the payment of international staff salaries from SDR to another currency.

Proposed solutions

21. The SRCs are jointly working with the Executive to address the issues raised in this report and have detailed a list of proposed solutions below.
- i. Staff request transparency on salary bands and job sizing and more clarity on and access to the SP10 criteria and process.
 - ii. Staff propose that SPC annually publish data on staff remuneration (band level, band %, total salary) across gender, nationality, etc. Making this data accessible will demonstrate that SPC is a responsible development organisation, dedicated to diversity and providing equal opportunities. This disaggregated data will help support the development of corporate policies and recruitment strategies, etc.
 - iii. Staff request that they be updated on the status of the Fiji Host Country Agreement, due to implications for facilities and staff safety, etc.
 - iv. Staff request full OHS audits for Suva and Noumea for compliance with national OHS legislation and standards, or as is required for international organisations.
 - v. Staff suggest consideration of education and housing support for staff on local contracts.
 - vi. Staff request regular reviews of local staff salaries to align with market/CROP/cost of living.
 - vii. Staff request a timeline for the undertaking of the housing and education reviews in Suva.
 - viii. Staff request there be communication to all staff on the FCR policy, and clarity on, and practical support with, transitional and long-term plans for implementation.
 - ix. Staff appreciate the summaries provided by the D-G following Senior Leadership Team (SLT) meetings, and request that there also be regular communication and updates following Programme Head meetings and Directors' forums.
 - x. Staff propose that the Executive and HR review disparities in conditions between Suva and Noumea, and consult with SRC and staff on ways to close the gap and improve harmonisation.
 - xi. Staff request clarification on the status of long-term contracts for locally-employed staff.
 - xii. Staff request details of the review to explore a change in the reference currency from SDR to the Euro (or other currency) for the payment of international staff salaries.

The SRCs look forward to working with the Executive to resolve these issues, and will provide an update on progress at CRGA 49.

Annex C: Divisional highlights 2017–2018

This annex presents highlights of the work of SPC's divisions in 2017–2018 and forward plans. A full set of results is presented under CRGA agenda item 5 and in the Pacific Community Results Report 2017.

Climate Change and Environmental Sustainability (CCES)

Final year and closing of INTEGRE, end of June 2018: In this 12 month period, the INTEGRE team focused on closing procedures, capitalisation and lessons learned. Outputs documenting the implementation of the concept of integrated resilience management have been shared with the territories, digitalised for the SPC library, displayed on a fully revamped website (<http://integre.spc.int/en/>) and reported through high visibility events (Exhibit, Brussels Parliament, French Senat, etc.), and are also feeding into the design of the EDF11-OCT project.

Design of EDF11-OCT: The programme document was approved in December 2017, and the financing agreement was signed on 10 April 2018 between the Regional Authorising Officer (New Caledonia) and EU for an EUR 36 million project supporting sustainable management of natural resources in OCT, including some EUR 5 million to be implemented by SPREP for biodiversity protection. SPC is currently working on preparation documents and a detailed budget for expected signature of the co-delegation agreement between EU and SPC/SPREP by early October 2018.

Climate and environmentally smart SPC: SPC's Social and Environmental Responsibility Policy was adopted on 3 April 2018 with an action plan and explicit guiding principles committing SPC to improve its social and environmental responsibility for people, operations, and projects. A robust Environmental and Social Management System (ESMS) will be operationalised by January 2019 to screen projects for social and environmental risks, following a pilot phase currently ongoing with three projects across the organisation.

In terms of innovation, a highlight is the completion of the RESCCUE-led initiative on 'greening taxes and subsidies in PICTs': A regional review, national workshops and a New Caledonia initiative generated great interest, to the point that French Polynesia requested support for a similar initiative targeting the primary sector (ongoing in the second half of 2018). The issues of harmful subsidies and innovative funding mechanisms are likely to be brought to the fore of both regional and international agenda as the 2020 deadline for reaching the Convention on Biological Diversity's Aichi targets draws closer.

CCES structure: The **CC Framework** was finalised. The framework clarifies the positioning of SPC on climate change and articulates its areas of competence in terms of 1) a hub for CC scientific information and knowledge – within the framework of the SPC Data and Knowledge Portal; 2) the ability of SPC programmes and divisions to deliver sectoral CC initiatives; and 3) integrated cross-sectoral projects addressing climate risk reduction and resilience. In addition, the framework calls for a climate-smart SPC and for 'readiness capacity' to provide informed policies and advocacy and enhance climate finance opportunities for members, particularly through access to the Green Climate Fund (GCF). Establishing a CC knowledge hub at SPC, enhancing support to divisions in mainstreaming CC, and establishing support capacity to develop GCF and climate finance projects are key targets for 2018/2019. Efforts are being made to resource the recruitment of at least two positions.

Readiness capacity: Documentation for SPC accreditation to the GCF was first submitted in September 2017. After comments, a revised version was submitted in early January 2018 and a further revised

version on 23 May 2018, which should complete stage 1 of the review process. SPC then enters stage II of the process, targeting the 21st GCF Board meeting in October 2018. SPC is requesting support from its members to urge prioritisation of SPC in the review process and favorable consideration of its accreditation. In parallel, work is ongoing at division level to develop and/or contribute to several GCF projects.

Integrated programming and partnership: CCES contributed to the establishment of PCCOS; finalisation of the Global Climate Change Alliance Intra-ACP project across GEM and CCES; the Pacific Climate Change Centre; the Pacific Nationally Determined Contributions Hub (NDC Hub); the Ocean Pathway initiative of COP23; COP23 presidency and climate action events; the IRD partnership; and chairing of Working Arm of CROP CEOs on Resilient Development (WARD) across CROP agencies.

Visibility: CCES organised SPC's participation in COP23, helped with the May 2018 High-Level Dialogue, and contributed to international events (IMPAC4, IFRECOR, International Land Conservation).

Communications

SPC's visibility is improving and there is a clear demand for, and interest in its work. Adjustments made to our communication approach are producing results. Website revision work has resulted in lack of growth, but we have held a good audience base with great potential to expand. Corporate Communications is tracking progress quarterly and adjusting strategy to take advantage of opportunities.

Website: Over 56,000 visits per month. Website engagement is steady but not growing. There is potential to expand the audience in EU and North America.

Facebook: 30% increase in engagement on Facebook with over 8000 unique visits per day. Facebook is growing steadily. It is very strong in the region and with women, and is a key platform for reaching local/regional audiences.

Twitter: 200% increase in engagement with over 16,000 following SPC news. Twitter is growing rapidly and is strong internationally, providing good reach with partners, media, donors and the academic community.

Newsletter: 100% increase in subscribers since the launch. The newsletter is growing steadily and is expected to pass 3000 unique subscribers in 2018.

Educational Quality and Assessment Programme (EQAP)

- Eight regional qualifications were accredited – Certificates 1–4 in Sustainable Energy and Certificates 1–4 in Climate Change and Resilience.
- Work is underway on micro-qualifications in education, health and fisheries through innovation funding.
- A sustainable funding partnership with MFAT and DFAT provides programmatic (flexible) funding of the EQAP business plan over 5 + 5 years.
- EQAP has developed and is now implementing a country programming process that aligns its activities in countries to national education plans and works on a three-year rolling cycle to improve both responsiveness and execution rates.
- PILNA 2018 will be administered in October to over 40,000 Year 4 and Year 6 students in 10 languages across 15 countries.
- South Pacific Form Seven Certificate results were processed and released in 2017 before the Christmas break – for the first time ever – with an extremely low rate of reconsiderations requested, none of which resulted in mark changes.

Fisheries, Aquaculture and Marine Ecosystems (FAME) Division

The Oceanic Fisheries Programme:

1. Performed the most advanced and comprehensive stock assessment of WCPO (Western and Central Pacific Ocean) bigeye tuna to date, incorporating new understanding of the growth and biology of the stock. This assessment led to new scientific advice on the status of the bigeye stock. It also underpinned SPC's subsequent analyses of the consequences of future fishing levels, which informed the new Western and Central Pacific Fisheries Commission (WCPFC) tropical tuna Conservation and Management Measure agreed at WCPFC14 in December 2017.
2. Continued to take the lead role with E-Reporting and E-Monitoring in WCPFC tuna fisheries through the development and subsequent adoption of standards for WCPFC members (extending beyond the SPC membership) related to logbook and observer data. Continued to be at the forefront in providing direct assistance to member countries embarking on trials and implementation of E-Reporting and E-Monitoring systems. In this regard, the use of the SPC-developed Tails and OnBoard apps (for acquiring fisheries data in the field using mobile devices) by member countries expanded considerably in 2017, with plans for full implementation in at least one country in 2018.
3. Delivered a large scale tuna tagging research voyage (WP4) and tuna micronekton research voyage (Puffalis) in 2017 to provide crucial data to better understand tuna ecosystems. Continued to involve members directly in this science with national scientists and staff on attachments at SPC participating in the tagging voyage. The tuna micronekton research voyage was conducted in partnership with IRD, applying science capacity from outside the region to research for members. Both voyages contributed to further developing the Pacific Community marine specimen bank.

New intentions for 2019

1. A focus on outreach and stakeholder engagement workshops to increase understanding of national fishery departments and the wider stakeholder group (other ministries, industry, NGOs) in the Harvest Strategy approach for WCPO fisheries, which aims to increase the sustainability and transparency of tuna management in the WCPO.
2. Continue to focus on the development and provision of E-Reporting products and direct assistance to member countries transitioning from paper data collection systems to E-Reporting and E-Monitoring.
3. A focus on developing a strategic research agenda for key tuna ecosystem topics and syndicating SPC and partner interests through PCCOS to do the science needed in the region. Flagships for this approach will be research on the issues associated with methylmercury bioaccumulation in fish and modern genetic approaches to determining tuna population structure.

The Coastal Fisheries Programme:

1. Established a Coastal Fisheries Working Group to bring together a small stand-alone stakeholder group of representatives of communities, national and regional agencies and institutions to look at current and potential coastal fisheries initiatives to ensure an adequate level of support, resources and services are directed towards assisting national fisheries agencies and local communities implementing management of their coastal fisheries resources. This was in response to the Forum Leaders' decision that tasked SPC with

coordinating national fisheries agencies, CROP agencies and regional and national community groups to strengthen support and resourcing for coastal fisheries management. The Leaders also noted the links to communities, food security and health issues, in particular NCDs, and the need to ensure ecosystem integrity to address issues such as ciguatera outbreaks and sustainably manage beche-de-mer, or sea cucumber, fisheries

2. Hosted the first Regional Technical Meeting on Coastal Fisheries to look at coastal fisheries data issues. SPC members agreed on development of the SPC Data Repository for archiving and searching coastal fisheries data sets and, recognising that coastal fisheries and aquaculture data is a complex area, recommended a staged development process.
3. FAME continued to provide tailored information to ensure that policy makers, fisheries stakeholders and the public are kept informed on fisheries issues and SPC's efforts to address these issues. In 2017, FAME put emphasis on producing information responding to local needs, such as the production of its information kit in Bislama for fishing communities in Vanuatu; the addition of local names for fish from several member countries to its popular fish identification web application, PacFishID; and drafting of posters providing statistical information on fish catch and use for specific Fiji villages.
4. 'SPC emergency grab bags save lives in Tuvalu' – On 4 March 2018, four fishers were rescued from a small vessel in Tuvalu after activating the personal locator beacon from their emergency 'grab bag', a marine safety pack initiated and promoted by SPC and supported by the Tuvalu government. At least 10 fishers in small vessels have now been rescued in Tuvalu since the distribution of grab bags began in 2015, and millions of dollars have been saved in expensive search and rescue operations. It is hoped that other Pacific Island countries and territories will increase their efforts to promote the concept of grab bags to small boat operators, secure funding to procure these potentially lifesaving tools and train local fishers in their use.

New intentions for 2019

1. Lead a stocktake exercise to identify all data related to coastal fisheries and aquaculture held by all SPC members and other stakeholders.
2. Continue to focus on the development and provision of information products tailored to local needs, and explore greater use of information dissemination tools such as web applications, social media and animated videos.

Geoscience, Energy and Maritime (GEM) Division

As part of the transformation of the organisation, the Geoscience and Economic Development Divisions merged to form a new division: the Geoscience, Energy and Maritime (GEM) Division. The GEM Division is structured around three primary science pillars, and a service provision group, which includes remote sensing and GIS capability. The three science pillars are:

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

The merger has created greater efficiencies across the work programme areas of the previously separate divisions, ensuring opportunities and synergies are capitalised on and that SPC responds to

country needs in the best way possible through these strengthened services. Below are examples of how the GEM Division is delivering services to meet SPC members' needs.

Georesources and Energy

- The Tonga-based Pacific Centre for Renewable Energy and Energy Efficiency (PCREEE) is fully operational with the support of SPC, UNIDO and the Tonga Government. In the first 12 months, PCREEE has achieved the following: more than 200 people in the region have participated in its capacity building activities for private sector-focused sustainable energy entrepreneurship; five joint regional activities were conducted with partners; and strategic partnerships were signed with the Sustainable Energy Industry Association of the Pacific Islands (SEIAPI), and with the Association of Development Financing Institutions in the Pacific (ADFIP). PCREEE is now an active member of the Global Network of Regional Sustainable Energy Centres (GN-SEC) with its seven established regional centres around the world. PCREEE is also working on two joint activities – one with the Caribbean Centre for Renewable Energy and Energy Efficiency (CCREEE) and one with GN-SEC.

Oceans and Maritime

- GEM is a key implementing partner in the DFAT-funded Climate and Oceans Support Program in the Pacific (COSPPac) and the partnership has recently been renewed (2018–2022) for AUD 5.4 million. COSPPac aims to help in-country agencies to understand and use climate, ocean and sea-level information for the benefit of communities and governments. In the last year, SPC helped maintain and upgrade 14 Pacific sea-level monitoring stations around the region; delivered oceanographic training and ocean services development to Tuvalu, Tonga, Niue and Samoa; took over hosting of, and officially launched the Pacific Ocean Portal; provided attachment training and internships for regional Meteorological and Lands Survey Department staff; and supported the Pacific Geospatial and Surveying Council in launching and implementing a regional 10 year strategy.

GEM is working in partnership with the Tuvalu National Meteorological Service (NMS) to develop a forecasting system for extreme ocean surface waves and to train meteorologists in marine meteorology. This is funded by the German Development Bank as a component of the SPC Tropical Cyclone Pam recovery project. Once this early warning system is operational, the intention is to progress to impact-based forecasting with the assistance of the Climate Risks and Early Warning Systems (CREWS) project in the Pacific, in collaboration with the World Meteorological Organization. The evolution from marine weather forecasts and warnings to impact-based forecast and warning services for communities represents a step change in service delivery for the Tuvalu NMS. In future, the warnings issued by the NMS will include actionable information that will enable island communities to take action to ensure their safety and protect their property.

- SPC is fully committed to assisting climate mitigation in the maritime sector in alignment with the Framework for Resilient Development in the Pacific (FRDP) Goal 2: Low Carbon Development. The Maritime Technology Cooperation Centre in the Pacific (MTCC-Pacific) has been operating for a year now with the GEM Division. The centre has provided technical assistance and capacity building for the uptake of low carbon technologies and operations within the maritime transport sectors of Fiji, Solomon Islands, Vanuatu and Tuvalu. Similar activities are planned for Samoa and Kiribati in June and Marshall Islands in August. The work of MTCC-Pacific forms part of SPC's innovative initiatives in maritime energy, which include

the Green Pacific Port pilot project implemented in Tonga and Solomon Islands. The pilot is already showing promising results in reducing energy consumption and GHG emissions from port operations.

Disasters and Community Resilience

- The GEM Division is taking the lead in implementing the ‘integrated planning approach’ proposed in the 2017 Director-General’s report. During the conceptualisation and design of the EU–North Pacific – Readiness for El Niño (RENI) project in 2016, representatives from GEM, LRD, RRRT, SDP and SPL met together to design the project, which started in July 2017. The collaboration is continuing throughout the first year of implementation and is providing important lessons for SPC on implementing integrated planning. One lesson is to allow sufficient additional time for true integration to take place.

In a similar vein, GEM has been working with the divisions mentioned above, and also with PHD and FAME, to design the EUR 12.9 million, Global Climate Change Alliance Plus – Scaling up Pacific Adaptation (GCCA+ SUPA) project, which will be delivered through a co-delegation agreement by SPC and SPREP. The agreement is likely to be signed by the end of 2018.

- The Building Safety and Resilience in the Pacific (BSRP) project is helping build resilience to disaster and climate change for communities and governments across 15 Pacific Island countries and Timor Leste. For example, in October 2017, the Fiji National Disaster Management Office enlisted the help of BSRP in relocating Tukuraki village in Fiji’s Ba Province. The village was buried under a devastating landslide in 2012. The project funded the labour and materials used to build eleven homes and one evacuation centre – all built to withstand Category 5 cyclones. The community was also provided with a sustainable water source, a retaining wall to prevent soil erosion, road access and a playground. Tukuraki is the first inland community to be relocated. The other 46 priority communities identified for relocation in Fiji are all coastal.
- SPC continues to support the efforts of the Government of Kiribati to increase access to safe water and sanitation, including through two EU-funded projects nearing completion. On Kiritimati Island, SPC is supporting the availability of sustainable drinking water through improved science, infrastructure and local capacity. Facilities linking groundwater reserves to the communities of London and Tennessee are now complete, and a safe and reliable water supply has been restored to residents, businesses and the hospital. In the Gilbert Group of islands, SPC is supporting the establishment of improved water and sanitation infrastructure at the village level, and local capacity to maintain facilities and ensure safe WASH (water, sanitation and hygiene) practices. With the support of New Zealand, Kiribati is also an active participant in the Pacific Partnership for Atoll Water Security, advancing a range of initiatives to better anticipate, respond to and withstand the impacts of drought, and share lessons learned with neighbouring atoll countries.

Land Resources Division (LRD)

- The Director of LRD, who was appointed in February 2017, has led a review and reorganisation of the division into four thematic pillars supported by technical advisors. Working across LRD pillars will facilitate the development of integrated programmes concerned with four themes: genetic resources, natural resources management, sustainable and nutrient-sensitive

agriculture and markets. The business case for the division was presented to the meetings of HOAFs and MOAFs in October 2017, which coincided with the first Pacific Week of Agriculture hosted by Vanuatu. LRD's business plan will be finalised soon.

- LRD is progressively taking an integrated approach to programming as a means of accelerating progress towards achieving SPC's development goals and the SDGs. The first integrated programme is Pacific Seeds for Life, which aims to develop viable and sustainable seed systems to increase farmers' adaptation to climate change. Countries will develop strengthened enabling mechanisms and their policy environment for effective seed production and marketing systems.
- LRD is committed to maximising the value of its work towards achieving member countries' development goals by identifying potential cross-cutting areas of support and leveraging its own capabilities in these areas to address the challenges in the Pacific context. In 2019, LRD will focus on resource mobilisation and developing a set of integrated cross-cutting programmes to address interdisciplinary challenges, such as climate change, sustainable livelihoods and food and nutrition security in a holistic way, drawing on capacities and technical expertise from across its thematic pillars and across SPC.
- In 2019, Samoa will host the second Pacific Week of Agriculture and the biennial meetings of HOAFs and MOAFs.

Public Health Division (PHD)

Health Security / Research, Evidence and Information

- The signing of the new Agence Française de Développement (AFD)-supported project for the Pacific Public Health Surveillance Network (PPHSN) will enable extension of work in three areas – capacity building focusing on DDM (Data for Decision-Making) implementation and laboratory strengthening; vector control, and PPHSN strategies including One Health and antimicrobial resistance (AMR); and support for PPHSN governance. This is the first significant funding that PHD has received from AFD and the division looks forward to developing the relationship further.
- With KfW (German Development Bank) support, DDM training was delivered for Tuvalu and Vanuatu – four modules for Tuvalu and all five modules for Vanuatu. Some candidates should soon complete their Postgraduate Certificate in Field Epidemiology. The work has involved strong partnership with Fiji National University (FNU), Pacific Islands Health Officers' Association (PIHOA), WHO and DFAT.
- SLIPTA (Stepwise Laboratory Quality Improvement Process Towards Accreditation) assessment was carried out for Mataika House in Suva. This is the first time that this tool has been used in PHD's laboratory strengthening work.

NCD Prevention and Control

- Improved political leadership and ownership was developed through support for NCD briefings for parliamentarians in Cook Islands and Fiji, and National NCD Summits in Tokelau, FSM and Guam.

- The programme supported PICTs to increase multisectoral engagement and networking to address NCDs more effectively, e.g. through Cabinet endorsement of national multisectoral NCD Committees in Fiji and Kiribati, and extension of the Wake Up! Project to all PICTs. The project aims to mobilise Pacific youth in the fight against NCDs.
- The programme supported the establishment of accountability mechanisms through leadership on development and updating of the Pacific Monitoring Alliance for NCD Actions (MANA); with partners and PICTs compiled the results of nationally endorsed dashboards for 14 PICTs, and produced reports for the Heads of Health meeting; and initiated a childhood obesity intervention and research project in Fiji and Wallis and Futuna.

Clinical Services

The programme:

- convened a meeting of Regional Medical Councils and is in the process of looking at mechanisms for strengthening governance and a possible regional mechanism to be based at SPC to provide support for medical councils in PICTs;
- supported strengthening of internship programmes in Tonga, Tuvalu, Kiribati, Marshall Islands, Vanuatu and Solomon Islands. This is an important piece of work, particularly with graduates returning from non-traditional training institutions, including in Cuba and China;
- conducted two training sessions for medical superintendents from 14 PICTs.

Resource mobilisation for PHD

The following opportunities are being discussed:

- A possible partnership with MFAT on NCDs
- Early discussions with DFAT on health security funding
- Early discussions with EU on possible Intra-ACP funding for Health Security.

Regional Rights Resource Team (RRRT)

RRRT began its new EUR 16.55 million, five-year work programme in financial year 2017. The team now comprises 22 staff members, including a permanent director who was appointed in April 2018 following an 18 month vacancy. The start of the work programme coincided with the team shifting to SPC's campus in Nabua.

The work programme is focused on achieving three outcomes: (1) Pacific Community member states are increasingly promoting and protecting human rights and fulfilling their human rights commitments; (2) improved access to justice for women and girls who are survivors of domestic violence; and (3) enhanced civil society engagement in promoting human rights, gender equality and addressing violence against women.

In 2017, the Pacific Community began applying a rights-based approach across all its work. Under this holistic approach to development, human rights are mainstreamed across the organisation and incorporated (where appropriate) in new projects and programmes. Throughout 2017, RRRT supported the inclusion of human rights elements in projects and programmes on climate change, fisheries and marine environments, agriculture and land, and renewable energy.¹ RRRT also delivered

¹ RRRT is providing technical assistance to the following SPC divisions and projects: GEM – Readiness for El-Nino Programme, Renewable Energy Project, and Global Climate Change Action Project; FAME – Marine Partnership

training to Pacific Community staff on human rights, addressing violence against women, and child protection.²

At the invitation of their respective governments, RRRT co-authored scoping reports on national human rights institutions (NHRIs) for Cook Islands, FSM, Nauru, Marshall Islands and Tuvalu. RRRT subsequently worked closely with the Government of Tuvalu to draft legislation to establish the country's NHRI and is currently supporting the implementation of the legislation. In the case of Nauru, the recommendations of the scoping report were endorsed by cabinet in late 2017. RRRT is now working with the government to draft the bill to establish the NHRI.

RRRT supported the Government of Tonga to establish and operationalise the Tongan Legal Aid Centre. The Centre, which is the first of its kind in Tonga, provides free legal assistance to women and girls who are survivors of domestic violence. Since it began in March 2018, the Centre has acted for over 100 clients. RRRT is currently working with the government to ensure the long-term sustainability of the Centre.

RRRT provided technical input to the Domestic Violence Act for Pohnpei State (FSM), which was passed in December 2017, and is currently supporting the state government with implementation of the legislation.

RRRT assisted the Pacific Sexual and Gender Diversity Network to convene the 2nd Pacific Human Rights Conference on advancing human rights related to sexual orientation, gender identity and expressions, and sex characteristics. The conference was held in Nadi, Fiji, from 28 May to 1 June 2018 and attracted around 120 participants from seven Pacific Island countries. The conference outcomes statement and Road Map to 2030 will inform the future work of the Network.

Statistics for Development Division (SDD)

SDD delivered in excess of 50 technical support activities to member countries in 2017, including (i) hosting regional training and experience-sharing workshops; (ii) technical support missions based on specific country needs; (iii) South-South collaboration through country exchange visits; and (iv) young professional development through secondment to SDD.

In addition to its support for members, SDD provided secretariat services to regional statistical governance groups, including meetings of Heads of Planning and Statistics (HOPS), the Pacific Statistics Steering Committee (PSSC) and Pacific SDG Data Working Group. SDD also represented the region at international statistics forums, including the annual session of the United Nations Statistical Commission; World Population Census Steering Committee; Global Civil Registration and Vital Statistics Group; Economic Statistics Steering Committee; and SDG Working Groups.

2017 highlights

SDD successfully completed its 'transformation project' in line with the recommendations of the SDD Performance Improvement Framework Review. The review recommended that SDD:

- become the region's statistical system leader;
- strengthen its data analysis and dissemination role; and
- deliver technical support to member countries' National Statistics Offices by partnering with other agencies working on statistics development in the region.

Programme; and LRD – Pacific Seeds for Life. RRRT is expected to provide ongoing human-rights related technical assistance for the life of these projects and programmes.

² The training was delivered in collaboration with the Social Development Programme, which covered the gender component.

As a result, SDD has redefined its core role and functions and has a new operating model and organisational structure, and a new business plan for 2018–2020. All were endorsed by the 5th HOPS Meeting in November 2017.

SDD's involvement in the Pacific SDG Taskforce and role as secretariat to the SDG Data Working Group have resulted in the development of a matrix of the 132 Pacific SDG Headline Indicators, which all 22 PICTs will use for SDG reporting. SDD will maintain, update and disseminate the matrix to all key users via a separate page on its website.

The SDG web page will be known as the Pacific 132 SDG Indicators Dashboard. It will provide a 'one-stop shop' for all enquiries relating to indicators and data sources for SDG reporting, starting with the Regional SDG Report that will be presented to Pacific Leaders in August 2018.

In November 2017, HOPS approved the following initiatives put forward by SDD:

- Regional statistics development framework
- Technical support partnership programme
- Regional five-year collection plan
- Regional data dissemination strategy framework
- Pacific Statistics Methods Board

As part of its strategy to become the region's focal point for Pacific statistics and data services, the division also completed a user focus survey (69 participants) to inform improvements to its data dissemination services.

Looking forward

The next 12 months will see SDD working closely with its key stakeholders, focusing on:

- delivering the milestones set out in its funding agreement with DFAT;
- working closely with relevant development partners to deliver a coordinated technical support service to member countries' National Statistics Offices;
- ensuring the Pacific Statistics Methods Board is operating effectively and delivering 'fit for purpose' best practice methods and standards for high-priority, core statistical collections;
- progressively implementing its strategy, incorporating the outcomes of the recently completed 'Customer Focus Project' as a basis;
- working closely with member countries' National Statistics Offices to promote their statistics and data to key users, including ministers, government agencies, policy developers and analysts, community groups and key private sector users.

Internally, SDD will focus on:

- contributing to the development of a single SPC data portal designed to improve ease and speed of access to all SPC-held statistics and data;
- consolidating the changes made and implementing improved management practices in the division;
- implementing the Marshall Islands Household Income and Expenditure Survey test project in conjunction with the World Bank;
- implementing the microdata access project as part of improving SDD data dissemination;
- mobilising additional resources to support SDD's new business plan and its role as the leader of the regional statistical system.

Social Development Programme (SDP)

In 2017, there was strategic discussion on reshaping SDP into a more integrated and consolidated team characterised by a whole-of-SDP perspective on delivery of services, i.e. *One team – One SDP programme*. These discussions were also informed by the specific targets and outcomes for gender, culture and youth in line with our regional and international commitments, including the Pacific Platform for Gender Equality and Women's Human Rights, the Pacific Youth Development Framework, the Regional Culture Strategy, the 2030 Agenda for Sustainable Development and the S.A.M.O.A Pathway.

In 2017, SDP continued to support the following activities:

Gender

1. Gender mainstreaming in PICTs

- Support for PICTs on gender mainstreaming.
- Negotiation of gender assessment in the agriculture and rural development sector in Fiji, Samoa, Vanuatu and Tonga in collaboration with FAO.

2. Gender mainstreaming across SPC programmes

- Support for the conduct of gender assessments in the fisheries sector in Solomon Islands, Cook Islands and Palau in collaboration with FAME.
- Support for the conduct of the Climate Finance Assessment in Palau, through the Gender and Social Inclusion component of the assessment, in collaboration with GEM.

3. Gender statistics

- Dissemination of a regional gender statistics publication in the fourth quarter of 2017 –the statistical information will be used in the regional database managed by SDD.
- Support for analysis and dissemination of formal sector employment summaries from social security data for Marshall Islands, Palau and FSM.
- Analysis of data with counterparts, and publication and dissemination of 'Gender Equality: Where do we Stand? Republic of the Marshall Islands'.
- Analysis of data with counterparts, and publication and dissemination of 'Gender Equality: Where do we Stand? Tuvalu'.
- Support for gender focal points' lobby for gender statistics from the 2020 round of population and housing censuses.

4. Regional coordination work

- Successful coordination, planning and implementation of the 13th Triennial Conference of Pacific Women and 6th Meeting of Pacific Ministers for Women, focusing on women's economic empowerment as one of the key priorities for advancing gender equality in the region.
- Endorsement by Ministers for Women of the renewed Pacific Platform for Action on Gender Equality and Women's Human Rights.
- Development of '70 Inspiring Pacific Women' campaign as part of SPC's 70th Anniversary celebrations.

Youth Development

1. Support for PICTs

- Provision of technical support for implementation of the Youth@Work Programme in Solomon Islands and Vanuatu.

2. Mainstreaming of youth across SPC programmes

- Provision of technical assistance – development of methodology and conduct of Gender and Social Inclusion Analysis for Solomon Islands Climate Change and Disaster Risk Management Finance Assessment.
- Provision of technical assistance to PHD Youth/NCDs workshop.
- Provision of technical assistance to communities in Tafea province engaged in multi-hazard mapping work, and communities in Ambae province engaged in water supply work.

2. Regional coordination work

- Provision of resources for multi-partner collaboration and technical assistance to establish a set of youth indicators, baseline and annual monitoring mechanism for the Pacific Youth Development Framework (PYDF), and to support the global development of youth development indicators.
- Support for work on the State of Pacific Youth Report in collaboration with UN agencies, including the regional situation analysis on youth conducted to serve as a baseline for the PYDF, together with regional stakeholders.
- Support for the Pacific Youth Council's (PYC) work towards becoming an independent organisation managing its own affairs through the conduct of a general assembly and convening a meeting of the Board to start preparing for PYC to move into an establishment independent of SPC. Support has included ensuring PYC has the capacity to raise its own funds and develop its own programmes for youth development in the region.
- Technical assistance was provided to the LGBTI Youth.net to develop a strategic communication strategy and facilitate online dialogue for policy engagement.
- Establishment of the LGBTI Youth-net through partnership and technical assistance to the Pacific Sexual Diversity Network.
- Data collection was undertaken through mapping, in partnership with stakeholders, youth councils and other agencies to support and inform the distribution of development assistance and communication and advocacy strategies.
- Together with regional stakeholders, a regional situation analysis on youth was conducted to serve as a baseline for the PYDF.

Culture for Development

1. Support to PICTs

- Development of Phase 2 of the Regional Culture Strategy following the mid-term review conducted in 2015.
- Support for Hawaii on preparations for the 13th Festival of Pacific Arts and Culture.

2. Regional coordination work

- Support for countries attending the 4th Meeting of ACP Ministers for Culture held in Brussels, Belgium.

3. Meeting of Ministers of Culture

The ministers reaffirmed the need to keep culture in SPC. They also endorsed Phase 2 of the implementation of the Regional Culture Strategy, which has re-cast priorities for the region as follows:

- a. Strengthening institutional mechanisms;
- b. Mainstreaming culture across sectors;
- c. Cultural production (cultural industries and cultural tourism); and
- d. Communication and resource mobilisation.

In relation to regional coordination, the ministers reaffirmed the need for SPC to continue providing support for the coordination and convening of the Festival, ministerial meetings, and Council of Pacific Arts and Culture meetings. Support for engagement at a global level, including for ACP Ministers of Culture meetings, was also highlighted as an important function for SPC.

The focus on traditional knowledge and intellectual property was considered an important part of the work.

Operations and Management Directorate (OMD)

HR policies and review of Staff Regulations

A review of the Staff Regulations (2014) was undertaken in 2017 and a full suite of HR policies was drafted, with staff consultations currently in progress. This has been a comprehensive and worthwhile process that should be completed by the third quarter of 2018.

Gender mainstreaming

Gender equality is identified as a regional cross-cutting issue in SPC's strategic plan. Accordingly, the Secretariat has adopted a range of HR policies and strategies to progress gender equality and to integrate gender mainstreaming in its work and in the services provided to members.

Part of this work has included a significant review and rewrite of key HR policies, such as *Gender, equal opportunity, recruitment and selection*, and *Discrimination and harassment*, and the development and deployment of organisation-wide training programmes on domestic violence. The programmes also include a strong focus on the *Child protection* policy.

Re-design of SPC's performance development system

CRGA 46 approved the Secretariat's request to design and implement an SPC-specific performance development system (PDS) using a transparent process carried out in consultation with staff. The following changes to the PDS will be in place at the time of CRGA 48:

- Linking of individual performance plans to SPC's strategic goals and divisional objectives
- Automation of the PDS system (available online)
- Fewer rating levels and clearer definitions
- PDS policy design

Staff will be able to use the online PDS system for the first time during the mid-cycle performance review in July 2018.

Training and professional development

Initiatives include new HR policies such as *Learning and development* and *Professional development assistance*. The learning and development component of the new PDS process has also been designed to enable more meaningful conversations and planning around professional development opportunities.

There has been a targeted effort to build senior leaders' awareness of, and commitment to professional development. For example, the Director-General, sponsored by the Singapore Cooperation Programme, administered a nine-day course for 20 senior managers as part of a HR initiative aimed at building high-performance teams to improve service delivery to member countries. The programme was highly successful and, in addition to the personal and professional growth of course attendees, has led to a number of improvements in processes.

The SPC Leadership Development programme, sponsored by the Director-General, began in 2016 and continued in 2017 and 2018. It focuses on identifying and developing potential future leaders and has helped raise the profile of the Secretariat's commitment to talent development.

Future initiatives include exploring a learning management system, developing a funding model to better support training and professional development activities, and making learning and development a 'business as usual' activity.

Governance

Initiatives included:

- Finalisation of the Pacific Community Governance Compendium, which pulls together for the first time in one document all the significant SPC governance documents, including the current approved text of the Canberra Agreement. Hard copies are now available.
- Launch of a new intranet, which brings together three separate sites. The new 'One SPC' intranet is accessible worldwide to all SPC staff providing they have an internet connection (including on mobiles or tablets). It provides easy access to organisational knowledge and provides a significant step forward for internal communications.
- Brokering and convening of the High-Level Dialogue on Climate Change and Biodiversity between Pacific Leaders and France, including the Pacific Community Leaders' dialogue with President Macron on 4 May 2018.

Better ICT service delivery

An ambitious number of projects, starting off in late 2017 – early 2018 are being delivered or are still in project phase.

- Under ICT's lead, discussion groups (including the ICT Committee, GeoSpatial Workgroup and Developers' Workgroup) have been created and meet regularly to ensure that ICT's investments align with the organisation's needs.
- Video conferencing equipment has been purchased and is currently being installed. The objective is to promote collaboration between divisions and within divisions as well as reduce SPC's travel costs. The system is already providing much better audio and video quality with fewer disruptions.
- A new HR management system is being implemented to replace the current system. The new system has more functionality, including supporting the improved performance development methodology and new HR policies.
- A new financial project management system is currently being implemented to extend SPC's current financial management system. It enables tracking of project activities quantitatively

(time, expenditure, execution rates, procurement planning, etc.) and will support SPC's project managers by providing a deep 'financial centric' view of their projects.

- The new intranet, which was delivered in early 2018, provides all policies, news and corporate lists on one site.

Looking forward, ICT will continue its programme of work to transform SPC's ICT environment into a contemporary one and to seek the status of 'trusted advisor' rather than 'service provider'. Projects include printing as a service, expanded connectivity, and Enterprise Content Management.

Financial transformation

The immediate effect of the introduction of full cost recovery for translation, interpretation and publishing services in January 2018 was an improvement in the market comparison rate through cost reduction and an increase in volume. Savings in this area equate to about EUR 200,000, through the relocation of the Suva-based library, removal of one interpreter position, and normalisation of salary bands.

Provision of translation, interpretation and event management services to affiliated organisations has brought in around EUR 100,000 in 2018. Beyond this, around EUR 300,000 of direct cost recovery is expected through our programmes for translation, interpretation and publishing services.

These liberated funds can be put towards SPC's annual innovation funding rounds.

Pacific Data Hub

Information Services has started a programme of work to deliver a whole-of-the-Pacific data portal, intended to deliver a central platform for Pacific data. Data and information products from Pacific Island countries and territories, donors, partner organisations, industry, academia, other external parties and SPC may be curated, discovered and accessed through confidential, restricted or open data licensing agreements.

The hub will be delivered in 3 phases:

Phase 1 – the technical foundation of the system and one thematic area (PCCOS). The Pacific Data Hub will contain a subset of relevant datasets, data stories and publications. PCCOS partners will also have access enabling them to upload, connect and publish data and information.

Phase 2 – publication of the 132 Sustainable Development Goal metrics, including underlying data. This phase is a more 'SPC centric' phase to ensure the data dissemination goals set by CRGA are met.

Phase 3 (unfunded) – delivery of the remaining 11 thematic areas, including relevant data, information and publications.

Phase 4 (unfunded) – establishing a team to govern the quality of the data and information; expand standardisation of datasets; and advance the technical capabilities of the system (data connection, automation, visualisation).

Annex D: SPC Social and Environmental Responsibility Policy



SPC Social and Environmental Responsibility Policy

Document Version control	
Responsibility:	Deputy Director-General Noumea
Approved by:	Colin Tukuitonga- Director General
Date approved:	03/04/2018
Date last amended:	03/04/2018
Date of next review:	

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1. PURPOSE

This *Social and Environmental Responsibility Policy* (SER Policy) provides a framework, including guiding principles, for SPC to ethically and sustainably manage social and environmental risks and impacts of all its activities. This will be done in an inclusive manner, so as to maximise whole-of-society benefits. The intent of this policy is to help SPC:

- to promote and drive continuous improvement of SPC's social and environmental performance by:
 - identifying, assessing and managing social and environmental risks, impacts or opportunities in all SPC activities and projects;
 - improving existing practices in the implementation of other relevant SPC policies.
- to strengthen the involvement of staff and stakeholders' in defining and implementing social and environmental performance standards; and
- to meet the International Finance Corporation's Environmental and Social Performance Standards.

This policy will be implemented through an SER action plan and integrated coherently with all other relevant SPC policies, including its human resources, financial, and monitoring and evaluation policies.

2. SCOPE

This policy applies to:

- SPC staff, whether full-time, part-time or casual;
- non-staff personnel, including SPC contractors, students and interns; and
- all SPC activities, whether corporate, programmes or projects.

3. DEFINITIONS

Environmental responsibility is about ensuring a rational use and management of natural resources and ecosystems, to prevent or, where not possible, to minimise damage to the environment and address climate change, so as to ensure these resources will be available for future generations.

Social responsibility is about assessing and addressing the effects of our operations on our employees, partners, communities, and other stakeholders, through inclusive, transparent, accountable and ethical behaviour, in full respect for the rule of law and international norms of behaviour and human rights.

Social inclusion is the process of improving the terms of participation in society (including for the disadvantaged) through enhancing opportunities, facilitating better access to resources, giving people more voice, and respecting human rights.

Risk categorisation: a methodological approach to identifying, at the project concept phase, social and environmental risks arising from activities, programmes and projects. These risks can be negative impacts on communities and people's rights, livelihoods and well-being, as well as on their physical, natural or cultural environment. Based on their magnitude or significance, identified risks are then ranked as low, medium, high, or extreme. Risk categorisation is done at the project concept phase.

4. RESPONSIBILITIES

All SPC staff and non-staff personnel are expected to:

- be aware of this policy; and
- consider how it affects their day-to-day work

Executive is responsible for championing social and environmental responsibility and implementation of the policy by directors and staff.

Directors are responsible for:

- raising awareness of this policy and the need for SPC to act socially and environmentally responsibly; and
- ensuring the policy is implemented by their staff in all aspects of their work, from project design and programming to implementation and monitoring, in accordance with the modalities, procedures and tools provided in the SER action plan; and
- designating and supporting their SER focal point.

All managers are responsible for:

- raising awareness of this policy and the need for SPC to act socially and environmentally responsibly; and
- ensuring that the policy is implemented by their staff in all aspects of their work in accordance with the modalities, procedures and tools provided for in the SER action plan.

SER focal points will:

- form and participate in the SER practice group;
- act as a liaison between their division or programme and the practice group;
- participate in training in SER policy, implementation monitoring and communication; and
- guide their divisions and programmes in SER practice.

SER practice group will:

- exchange information, build capacity and cooperate in the implementation of this policy, as required; and
- liaise with RRRT, the Social Development Programme, the Gender Mainstreaming Committee and the Climate Change and Environmental Sustainability programme to mainstream SER at SPC in a holistic and systematic manner.

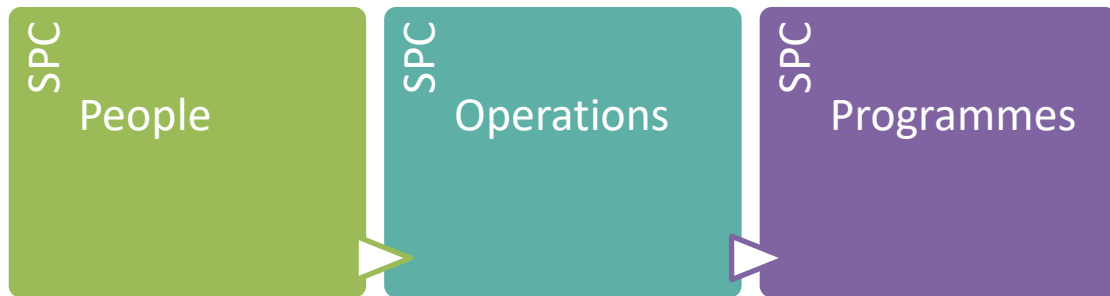
The **Climate Change and Environmental Sustainability programme** will coordinate the implementation of the policy and the action plan, including:

- train all SPC staff in the utilisation of the SER policy;
- support and provide advice to divisions and programmes about this policy;
- coordinate and provide secretariat support to the SER practice group and ensure its effective action and cooperation;
- monitor and evaluate the policy implementation outcomes, and report on the policy results in collaboration with the network of monitoring and evaluation officers across SPC; and
- prepare an annual greenhouse gas inventory and a report of environmental and social good

practices.

5. GUIDING PRINCIPLES

SPC is committed to improving its social and environmental responsibility along three pillars: people, operations and programmes.



a) People

SPC is committed to providing its staff with a workplace that promotes diversity and inclusion, guarantees equal rights, and provides for a safe, healthy and dynamic working environment. SPC is committed to the prevention of abuse and to the well-being of members, children, vulnerable adults and their families. To these ends, SPC commits to ensuring its human resources and related policies and procedures support the following outcomes:

- diversity, social inclusion, gender equality are addressed and strengthened in the workplace;
- staff are aware, sensitised and encouraged to contribute to a respectful, cooperative and professionally conducive work environment; and
- staff lead initiatives and champion good practices and innovation that strengthen SPC's role as an ethical, socially responsible and environmentally sustainable organisation.

b) Operations

SPC is committed to being a responsible organisation in the fight against climate change and biodiversity loss and in the protection of the environment. SPC will endeavour to reduce its own environmental and carbon footprint with the ultimate goal of achieving carbon neutrality and zero waste. To this end, SPC will implement a robust in-house climate and environmental responsibility framework, and ensure that relevant policies are adapted to reflect this approach, including the greening of its procurement and travel policies.

By taking this approach SPC aims to achieve the following outcomes:

- a consistent reduction pathway in its annual greenhouse gas emissions to achieve the lowest possible carbon footprint by 2020 as compared to the 2015 emission level; and
- a consistent reduction pathway in its ecological footprint through improved energy efficiency, reduction in travel and water use, and improved waste management practices by 2020 as compared to 2015 levels.

In taking action to consistently reduce its environmental and carbon footprints, SPC is committed to applying:

- a progression principle, according to which, SPC must continually strive to improve beyond its current targets;
- the mitigation hierarchy, according to which adverse environmental consequences of SPC

operations should be avoided and, where that is not possible, be minimised and, where that is not possible, be compensated (offsetting).

c) Programmes

SPC is committed to supporting programmes and projects to deliver activities that maximise social benefits and minimize environmental degradation. SPC aims to prevent or, where not possible, mitigate any:

- significant or unjustified impacts on the environment, or
- negative social impacts, such as those that affect gender equality or human rights.

To this end, SPC will develop a robust environmental and social management system (ESMS) to screen and appraise its activities through a dynamic and continuous process supported by management. The ESMS will include appropriate tools, methodologies and guidelines that will apply in a consistent and supportive manner with SPC's integrated programmatic approach.

SPC is committed to achieving the following outcomes:

- All activities, programmes and projects are subject to a risk categorisation exercise through a screening process, which is operationalised through the SER action plan.
- Where risks are identified in the light of the SER screening process, activities, programmes and projects are assessed for the magnitude of potential social and environmental risks.
- Against these risks and potential impacts, social and environmental mitigation measures are proposed and included in the formulation of the project and its activities, and monitored throughout the life of the project.
- Staff are trained in the identification and assessment of social and environmental risks and impacts, as well as in the implementation of mitigation measures.
- Openness and transparency are maintained with affected communities or stakeholders who are engaged in the identification of risks and impacts and who can express their concerns through a grievance mechanism.

6. IMPLEMENTATION

SPC recognises that the full implementation of this policy will take some time. As a driver of continuous improvement, the steps required to implement this policy and improve SPC's performance will evolve and strengthen over time. This SER policy shall be reviewed to fully reflect the policy objectives of SPC's next strategic plan.

SPC will develop an SER action plan to support the implementation of this policy. This action plan will be coordinated by the CCES programme and tracked by the SER practice group. The SER action plan will be reviewed simultaneously with the SER policy.

SPC is also committed to being open and transparent. As part of that commitment, SPC will:

- report annually on the results achieved by this policy through the SPC results report; and
- make publicly available key guidelines, methodologies and tools that it uses to assess and manage social and environmental risks.

Annex E: CRGA out of session decisions

The following decisions have been made out of session by CRGA. They are included here for completeness of record and are for noting only.

Decision	Circular number (date)	Date of effect
Adopted the 2017 revised budget	16/08 (2 Dec 2016)	15 Dec 2016
Agreed to adopt the Euro as SPC's formal unit of accounting/reporting currency from 1 January 2017	16/08 (2 Dec 2016)	1 Jan 2017
Adopted the terms of reference for the Pacific Board for Educational Quality	17/09 (3 Nov 2017)	17 Nov 2017
Adopted the 2018 revised budget	17/11 (18 Dec 2017)	22 Dec 2017