

OUTCOMES

Meeting of CRGA Subcommittee on Strategic Plan Implementation 11 December 2017

(Via videoconference: Noumea, New Caledonia; Suva, Fiji; and other locations)

OPENING

1. The CRGA Subcommittee on Strategic Plan Implementation (Subcommittee) met by videoconference on 11 December 2017, linking participants in Suva, Fiji; Noumea, New Caledonia; Wellington, New Zealand, and Washington, United States of America. The meeting was chaired by the Secretariat (Director-General), noting the apology of the designated Chair, Cook Islands. The meeting was attended by the following member countries and territories: Australia, Federated States of Micronesia, Fiji, France, French Polynesia, New Caledonia, New Zealand and United States of America – and also by representatives of the European Union and senior executives and staff of the Secretariat led by the Director-General.
2. The main objectives of the meeting were to discuss and seek the Subcommittee's approval of SPC's budget for 2018; to consider and discuss SPC's mid-year reflection and performance report; to consider the terms of reference for the mid-term review of the Pacific Community Strategic Plan 2016–2020; and to discuss the update on SPC's prioritisation process.
3. The Chair noted apologies from Cook Islands, Niue, Papua New Guinea and Tonga. The Chair indicated that there would be a meeting of the Subcommittee in May, to allow for a more in-depth and detailed discussion. The Chair noted that members had been consulted on the four agenda items prior to the meeting, and that the agenda had been formulated to incorporate and respond to feedback received on each of the items.

AGENDA ITEM No. 1:

1.1. 2018 REVISED BUDGET (GREEN BOOK)

1.2: 2018 REVISED BUDGET

1.3. REPORT FROM THE AUDIT AND RISK COMMITTEE TO THE CRGA SUBCOMMITTEE MEETING 11 DECEMBER 2017

4. The Secretariat presented the 2018 Revised Budget to the Subcommittee for endorsement. The revised budget represents a small surplus of EUR 0.054 million – subject to exchange rates and other variables – compared to the initial budget deficit of EUR 0.87 million presented at CRGA 47. The Secretariat contextualised the 'break-even' budget, providing breakdown of contributions and internal cost recoveries, and identified a range of risks and risk mitigation strategies, with particular consideration of the projected 2019/2010 deficits.

5. The procedure approved by CRGA 47 for the adoption of SPC's Budget for 2018 included a requirement that the proposed Budget be reviewed by the Audit and Risk Committee (ARC) prior to review and endorsement by the CRGA Subcommittee on the Implementation of the Pacific Community Strategic Plan. The Secretariat noted that the ARC reviewed the proposed Budget at its meeting on 21 November 2017 and recommended that it be endorsed by the Subcommittee for out-of-session adoption by all members of CRGA.
6. The Secretariat provided clarity on unspent carry-over and project execution, an update on the movement to the euro, an update on the application of the measures outlined in the policy on member arrears adopted at CRGA 47, and an update on EU audits. The Secretariat noted that more detailed and technical discussions could continue outside of the meeting, including at the next face-to-face Subcommittee meeting. The Secretariat also invited members to provide updates on assessed contributions and host country grants (see Annex 1).
7. The USA indicated that it was unable to provide a definitive update on its provision for meeting its assessed contribution for 2018, as the full USA FY2018 budget is still in preparation. The USA acknowledged that it has outstanding amounts for the 2017 assessed contribution, and indicated that the USA traditionally pays in two tranches, and expects that the second tranche might be available in January. The USA agreed to the Secretariat's request that it send the Secretariat written confirmation of the USA's intention to pay the second tranche of the 2017 assessed contribution.
8. The Secretariat indicated that direct savings from the movement to the euro as SPC's operating currency were difficult to quantify, but that the principal benefit was in internal efficiencies and the avoidance of the impact of currency fluctuations. SPC uses the SDR mechanism to price internationally recruited staff, and there will be discussions around the denomination of staff salaries in euro, which would limit the effects of the fluctuation in currencies.
9. The Secretariat noted that the Secretariat had sent a circular to all members to remind them of the measures adopted at CRGA 47 regarding the approach to members in arrears. Reminder letters will soon be sent to the limited number of members that remain in arrears. Members that have not entered into a payment plan would be subject to those measures from 2018.
10. Fiji indicated that the Fiji government has had further discussions regarding the Host Country Agreement proposals, and that these proposals are with the Fiji Office of the Solicitor General for vetting. The Secretariat clarified that the key question that needs resolution as part of this process is the host country grant, rather than the agreement itself. Fiji indicated that the host country grant and agreement are included in the same Cabinet paper being considered by the Fiji Office of the Solicitor General. The Secretariat requested an update outside of the meeting, particularly regarding any issues that may be hindering progress in consideration for approval of the host country grant proposals.
11. The EU representative outlined the EU's processes and procedures for the EU audits of SPC projects. The EU noted that SPC passed the pillar assessment the week prior. The EU noted the general condition of underlying contracts signed with SPC and other partners, and that a working group has been set up to try to minimise the amount of recovery from audits. Reasonably timed payment plans would be put in place for any recoveries.
12. The Secretariat indicated that it is still considering responses to the general conditions, and that these would be negotiated with other CROP agencies. The Secretariat also noted that the EU has placed a hold on all new audits as SPC works on the ineligible expenses issue.
13. Members sought clarification on the cut-off point for comment on the budget. The Secretariat noted that SPC offices close on 22 December, but that members were welcome to continue submitting questions until then, and, for general questions, at any time.

14. In response to members' queries about the causes behind the delays to project/programme execution, SPC's Finance Director attributed such delays to high levels of procurement-related processes, and the sometimes additional complexities of working with and through partners. He said that SPC, together with development partners, needed to be more realistic about timeframes and to better manage programmes and projects, along with partner and contractor expectations.

Outcomes and recommendations

15. The Subcommittee:
 - i. considered the report and recommendations of the Audit and Risk Committee (ARC);
 - ii. noted the ongoing budgetary deficit situation for 2019 and 2020;
 - iii. endorsed the revised 2018 budget for out-of-session adoption by all members of CRGA prior to 31 December 2017, using a silence-as-assent procedure.

AGENDA ITEM No. 2:

SPC'S MID-YEAR REFLECTION AND PERFORMANCE REPORT

16. The Secretariat provided the Subcommittee with an overview and formative analysis of the 2017 mid-year reflection. It responded to the Subcommittee's request to see SPC conduct a self-critical analysis of performance and assessment of the adequacy of progress. During 2017 SPC continued to support adaptive approaches to learning and implementation of its Planning, Evaluation, Accountability, Reflection and Learning (PEARL) policy. Monitoring, Evaluation and Learning (MEL) capacity is being strengthened.
17. The Secretariat indicated that the themes that emerged from programmes' and divisions' reflection reports in the PEARL process were used to guide improvements towards end-of-year results, and that the draft Pacific Community Results Report 2017 would be presented to the Subcommittee in May 2018. The Secretariat clarified that the paper constituted more of a report on SPC reflection and learning, rather than a report on SPC's results performance.
18. Members, during pre-meeting consultations, had indicated they would like clarity on the following matters: the purpose of the report and what it is assessing; how performance is measured; the rationale for emphasis on reporting methodology versus results; and links to prioritisation.
19. Members asked whether divisional reflection reports could be made available to members, and sought clarification about the domains for reporting, and coverage of divisions. Members acknowledged the Secretariat's comment on needing to ensure a balance between accountability and learning in the framing of the report, but noted that it would be valuable for the report to provide a qualitative assessment of how the Secretariat feels it is tracking, and a basis for that assessment.
20. Some members expressed their views that the report did not adequately analyse SPC's performance, nor provide a basis on which members could assess SPC's performance, major achievements or key challenges at the mid-year point. While not seeking a second Results Report, these members asked the Secretariat to review the content of the report to ensure that it enabled the organisation's 'board of directors' to properly assess mid-year performance, rather than be limited to SPC's internal processes of reporting and learning.

Outcomes and recommendations

21. The Subcommittee:

- i. considered the adequacy of SPC's progress at the mid-term of 2017 and provided advice to the Secretariat about possible areas for improvement;
- ii. advised the Secretariat on other information members wished to see included in future mid-year reflection and performance reports, including the development of performance baselines.

22. As a response to paragraph 21.ii., the Secretariat undertook to engage with members to help clarify the purpose and format of future mid-year reflection reports, to be discussed at the next Subcommittee meeting.

**AGENDA ITEM No. 3:
DRAFT TERMS OF REFERENCE FOR THE MID-TERM REVIEW OF THE
PACIFIC COMMUNITY STRATEGIC PLAN 2016–2020**

23. The Secretariat presented to the Subcommittee the proposed connected evaluative activities to build evidence from the mid-term review through to the end-of-strategy evaluation of the Pacific Community Strategic Plan 2016–2020 (Strategic Plan).

24. The Secretariat clarified that it was seeking the Subcommittee's opinion on the revised approach to the review. The reason for conducting a series of smaller evaluations, as opposed to one larger evaluation, links back to the agreed concept of the Strategic Plan being a dynamic document, with SPC refining, adapting, prioritising and strengthening its work, while being responsive to members' priorities and changes in context. The Secretariat clarified that this incremental review would not require changes to the Strategic Plan itself; rather it is a way of agreeing adjustments to hone SPC's work, with the Subcommittee as a reference point, as well as a means of better positioning the organisation for the development of the next plan. The Secretariat outlined the next steps for the evaluative activities, and the proposed involvement of external stakeholders and the Subcommittee.

25. Some members of the Subcommittee proposed additional suggestions to the lines of enquiry and agreed to send these to the Secretariat following the meeting. They also asked that the time commitment of members be taken into account in implementing the evaluation plan. The Secretariat acknowledged the helpful suggestions of all members on the review process.

Outcomes and recommendations

26. The Subcommittee:

- i. discussed the proposed connected approach from mid-term to end-of-strategy evaluation (Evaluation Plan) of the Pacific Community Strategic Plan 2016–2020, and agreed, in-principle, on the suggested approach;
- ii. agreed that the Secretariat would finalise the Evaluation Plan – taking into account the suggestions made by the Subcommittee – for comment and out-of-session adoption by all members of CRGA;
- iii. agreed that the Secretariat would implement the Evaluation Plan, taking into account the time commitment of members in the plan's implementation;
- iv. agreed that the Subcommittee would serve as a reference point for the Secretariat, as it undertakes the evaluative activities under the Evaluation Plan.

**AGENDA ITEM No. 4:
PRIORITISATION AT SPC: UPDATE**

27. The Secretariat provided an update on progress with the current phase of the prioritisation process underway at SPC. It highlighted preliminary results of the analysis of the five specific areas that were identified as needing further analysis to identify SPC's specific capabilities and comparative advantage.
28. The Secretariat acknowledged members' request for an update on the four initial priority areas of focus, and noted that it will provide the level of detail requested by members at the next Subcommittee meeting in May 2018. However, the Secretariat noted that the process to date has focused on speaking with divisional directors on the five areas requiring further analysis by the end of 2017, in order to determine where the organisation is best placed to work within those areas, and to inculcate the concept of 'added value' with divisions.
29. The Secretariat reported on a meeting it held with the SPREP management team to discuss areas of comparative advantage, including climate change, and indicated such discussions will continue, which the Subcommittee expressed its approval of. The Secretariat assured the Subcommittee that it holds regular discussions with the CROP agencies, and that all agencies are mindful of avoiding duplication.
30. The Secretariat explained the link between the Innovation Fund and prioritisation, and noted that submissions will be vetted based on linkages to prioritisation.
31. The Secretariat presented an update of the merger of the Economic Development Division (EDD) and GeoScience Division (GSD) into the new Geoscience, Energy and Maritime (GEM) Division, and noted that by bringing together the capacities of the two former divisions SPC has strengthened its capacity to address member priorities and needs in a more integrated way. The Secretariat also discussed SPC's role in addressing renewable energy and its shift to safety and regulation work in the petroleum area. Regarding water, sanitation and hygiene (WASH), the Secretariat noted that it is moving to a less 'siloes' approach, to ensure WASH is integrated across climate change and resilience pillars. On the question of disaster resilience work, the Secretariat noted this work is being reshaped and sits in the GEM Division, and will be delivered against the Framework for Resilient Development in the Pacific (FRDP).
32. Some members requested a greater level of detail at the May Subcommittee meeting, on both the group of five areas of priority, and the four areas not covered at this meeting. Australia also reminded the Subcommittee of Australia's comments on strengthening and mainstreaming the areas of human rights, gender and youth, and noted that it looks forward to a greater level of detail on these areas at the May 2018 Subcommittee meeting, as well as further clarity on the rationale for focusing on economic empowerment in the gender area. The Secretariat undertook to provide this more detailed update at the May meeting.
33. Responding to queries on the status and accessibility of divisional business plans, the Secretariat provided an update on the GEM and Land Resources Division (LRD) plans, and noted that, while it had no objection, in principle, to the suggestion that it publish business plans on the SPC website, this would be discussed internally with divisions. The Secretariat clarified that the approval of business plans is an SPC management issue.
34. The Secretariat explained that it is transitioning to an internal mainstreaming approach to human rights, gender, culture and youth, as directed by CRGA. The Secretariat explained that the rationale for its focus on women's economic empowerment and resilience is based on the capacity of its technical programmes to understand and take account of these issues. The Secretariat noted that the MELNet focal point model has been successful within SPC, and that a similar model would be used for mainstreaming. The Secretariat acknowledged the strong support for its continued involvement in the culture area, and is currently exploring and reviewing these modalities.

35. The Secretariat indicated that the Subcommittee meeting in May 2018 would entail a more progressive conversation on prioritisation, looking to the next set of issues rather than focusing on what has happened to date.

Outcomes and recommendations

36. The Subcommittee:
- i. discussed the Secretariat's update on the prioritisation process and provided the Secretariat with guidance;
 - ii. provided questions and suggestions for the Secretariat to consider and respond to at the next meeting of the Subcommittee.
37. **UPDATE:** Subsequent to the Subcommittee meeting, the Secretariat consulted internally on the question of publishing divisional business plans on the SPC website. A decision has been taken not to proceed with this, in recognition that these are not publish-ready, given that they are adaptive in nature. The Secretariat is of course happy to discuss this further with the Subcommittee at the May 2018 meeting, if required.

AGENDA ITEM No. 5: SUBCOMMITTEE ADMINISTRATIVE MATTERS AND FINAL COMMENTS

38. The Chair proposed that the next meeting of the Subcommittee be held in the week beginning 21 May 2018, face-to-face in Suva, subject to the agreement of CRGA members. The Subcommittee agreed with the proposal, subject to the agreement of all members.
39. The Secretariat proposed to distribute the draft resolutions from this meeting to all members, and that these resolutions be finalised by the end of the year.
40. The USA alerted the meeting to the Fourth International Symposium on the Effect of Climate Change on the World's Oceans, to be held in Washington D.C., from 4 to 8 June 2018, and agreed to circulate details of the symposium to members.

Outcomes and recommendations

41. The Subcommittee:
- i. agreed with the Secretariat's proposal for the next meeting of the Subcommittee to be held in Suva, in the week beginning 21 May 2018, as a face-to-face meeting, subject to out-of-session agreement by all members of CRGA.
42. **UPDATE:** Subsequent to the Subcommittee meeting, it was found that the original date agreed for the next meeting of the CRGA Subcommittee (in the week commencing 21 May) conflicted with other events, and consequently, the new suggested date is during the week commencing 28 May. The Secretariat will be contacting members in March 2018 to confirm this date.

ADMINISTRATIVE MATTERS NOT DISCUSSED DURING THE MEETING

43. The Secretariat would like to thank Siamelie Latu (Deputy Secretary, Ministry of Foreign Affairs, Tonga) and Richard Hipa (Secretary to Government, Government of Niue) for their contributions to many CRGA and Subcommittee meetings, and looks forward to meeting their successors.

44. The Secretariat would like to clarify the timing of the November/December 2018 Subcommittee meeting, as the Secretariat recognises that many members were not available for this December 2017 Subcommittee meeting.

Annex 1: Status of assessed contributions and host grants: summary as at 14 February 2018

	XPF UNITS				EUR						
	1997-2014	2015	2016	Balance at 31/12/2015	Balance at 31/12/2016	ASSESSED CONT. 2017	FUNDS RECEIVED 2017	TOTAL BALANCE	ASSESSED CONT. 2018	FUNDS RECEIVED 2018	TOTAL BALANCE
American Samoa		3,912	63,000	66,912	56,100	52,800	(21,077)	87,823	52,800		140,623
Australia		0	0	0	0	2,681,600	(2,681,600)	0	2,681,600		2,681,600
CNMI	450,878	63,000	63,000	576,878	483,400	52,800	0	536,200	52,800		589,000
Cook Islands		0	0	0	0	43,600	(43,600)	0	43,600		43,600
Federated States of Micronesia		0	0	0	0	220,400	(52,800)	167,600	220,400		388,000
Fiji		0	0	0	0	162,400	(162,400)	0	162,200		162,200
France		0	0	0	0	2,095,000	(2,095,000)	0	2,400,000		2,400,000
French Polynesia		0	0	0	0	108,000	(108,000)	0	108,800		108,800
Guam		37,735	69,000	106,735	89,500	58,000	(147,500)	0	57,800		57,800
Kiribati		0	0	0	0	58,000	(58,000)	0	58,100		58,100
Marshall Islands		1,590	52,000	53,590	45,000	43,600	(88,600)	0	43,600		43,600
Nauru		0	0	0	0	46,200	(46,200)	0	46,200		46,200
New Caledonia		0	0	0	0	511,200	(511,200)	0	511,100		511,100
New Zealand		0	0	0	0	1,717,000	(1,717,000)	0	1,717,900	(1,717,900)	0
Niue		0	0	0	0	35,200	(35,200)	0	35,200		35,200
Palau		42,200	52,000	94,200	79,000	43,600	(57,661)	64,939	43,600	(20,305)	88,234
Papua New Guinea		207,465	360,000	567,465	475,600	301,700	(480,622)	296,678	301,600		598,278
Phoenix Island		0	0	0	0	35,200	(35,200)	0	35,200		35,200
Samoa		0	0	0	0	72,600	(72,600)	0	72,600		72,600
Solomon Islands		10,260	136,600	146,860	123,100	114,500	(39,487)	198,113	114,500		312,613
Tokelau		0	0	0	0	46,200	(46,200)	0	46,200	(46,200)	0
Tonga		0	0	0	0	63,400	(63,400)	0	63,400		63,400
Tuvalu		0	0	0	0	46,200	(46,200)	0	46,200		46,200
United States of America			992,266	992,266	831,520	1,188,000	(1,266,120)	653,400	1,188,000	(653,400)	1,188,000
Vanuatu		27,546	86,600	114,146	95,700	72,600	(168,300)	0	131,300		131,300
Wallis & Futuna		0	0	0	0	35,200	(35,200)	0	35,200	(35,200)	0
TOTAL	450,878	393,908	1,874,466	2,719,152	2,278,928	9,986,088	(16,188,167)	2,884,753	10,269,968	(2,473,005)	9,881,648