

SPC/CRGA 51 (2021)

Decisions
ORIGINAL: ENGLISH

**DECISIONS OF THE FIFTY-FIRST MEETING OF THE
COMMITTEE OF REPRESENTATIVES OF GOVERNMENTS AND ADMINISTRATIONS**
(30 November–1 December 2021, virtual Meeting)

DECISIONS

AGENDA ITEM NO. 1: OPENING OF CRGA 51

1. The 51st meeting of the Committee of Representatives of Governments and Administrations (CRGA 51) opened on 30 November 2021, and was conducted virtually, using the Zoom online platform. The Secretariat was present at the headquarters of the Pacific Community (SPC) in Noumea, New Caledonia, and at the Suva, Fiji, Regional Office. The meeting was chaired by French Polynesia, with Samoa as Vice-Chair, and was attended by representatives of the following SPC members: Australia, Cook Islands, Federated States of Micronesia (FSM), Fiji, France, French Polynesia, Kiribati, Republic of the Marshall Islands (RMI), New Caledonia, New Zealand (NZ), Niue, Palau, Papua New Guinea, Samoa, Solomon Islands, Tokelau, Tonga, Tuvalu, United Kingdom (UK), United States of America (USA), and Vanuatu. The European Union (EU) attended as a permanent observer to SPC. The following partners were also in attendance: International Labour Organization (ILO), Melanesian Spearhead Group (MSG), Oceania Customs Organisation Secretariat (OCFO), Pacific Aviation Safety Office (PASO), Pacific Disability Forum, Pacific Islands Development Programme (PIDP), Pacific Islands Forum Fisheries Agency (FFA), Pacific Islands Forum Secretariat (PIFS), Pacific Region Infrastructure Facility (PRIF), South Pacific Tourism Organisation (SPTO) and the United Nations Children's Fund (UNICEF).
2. The Chair welcomed members and partners and noted the great privilege and honour it was to Chair the 51st meeting of CRGA. He welcomed the resumption of the membership of UK as the 27th member of SPC and congratulated the EU as the first permanent observer to SPC. He looked forward to working with the Vice-Chair from Samoa to guide the deliberations of CRGA 51 to a successful outcome. The Chair also acknowledged Pitcairn's decision to defer their Vice-Chairing role, given the ongoing challenges presented by virtual connection. The Chair thanked the Director-General and his staff for the effort put into the organisation of this important meeting. The Chair acknowledged the challenges associated

with the ongoing COVID-19 pandemic in the region, but noted that there was strength and possibility in pooling capabilities collectively as SPC members through strengthened capacity building, science and innovation and people-centred development for all peoples of the Blue Pacific Continent. He noted that the shortened timeframe of the meeting was meant to reduce the burden on members, but that there were a range of matters before CRGA 51 for decision, including SPC's performance in 2021, the new Pacific Community Strategic Plan, D-G's performance evaluation and SPC's plans for the establishment of the Polynesian Regional Office. He noted that the decisions of CRGA 51 would be transmitted via the Letter from the Chair of CRGA 51 to Chair of Conference.

3. The Director-General (D-G) thanked the Chair for his opening remarks. He welcomed and acknowledged members, permanent observers, partners and other stakeholders, and noted the importance of the input of all members to the full agenda before the meeting. At the request of the Chair, the D-G led the meeting through the meeting agenda.

ADOPTION OF THE AGENDA

4. Following the Director-General's summary of the agenda, the Chair requested for a motion for its adoption. Fiji moved that the agenda be adopted and French Polynesia seconded. The Chair declared the agenda adopted.

ELECTION OF THE DRAFTING COMMITTEE

5. The Secretariat noted the drafting committee nominees: Australia, Cook Islands, Fiji, Federated States of Micronesia, French Polynesia, New Caledonia, New Zealand, Papua New Guinea and United States of America. As Vice-Chair of CRGA 51, Samoa chaired the drafting committee.

AGENDA ITEM NO. 2: DIRECTOR-GENERAL'S REPORT, REGIONAL STATE OF PLAY AND SPC'S ROLE

6. The Director-General (D-G) reflected on the impacts of the COVID-19 pandemic that continued to critically impact people in the region and around the world, and led members in a moment of silence for victims of the pandemic and those staff members that SPC had lost during the year. In the face of the COVID-19 pandemic, the D-G highlighted SPC's active role in the Joint Incident Management Team (JIMT), which advised member governments

on responses to the pandemic; delivered training and planning support; and provided leadership and technical expertise in the areas of coordination, surveillance, infection prevention and control, laboratory services, risk communication and clinical services. He noted the development of a COVID-19 Response Framework, which identified different levels of readiness and action depending on the COVID-19 situation in SPC's host countries, and the increased focus on staff well-being during the COVID-19 outbreaks in Noumea and Suva.

7. The D-G noted the operational and financial stability of SPC, despite the challenges of COVID-19, and highlighted several key pivots: Enhanced information services capability and digital transformation, with enhanced investment in interpreted video conferencing, internet connectivity, learning delivery tools, cyber-security and control systems; Virtual capacity building through online learning systems; Online consultations, meetings and workshops; procurement of in-country consultants; innovation and repurposing of specialised capacity; and a flexible approach to the temporary remote location of staff. Key resource changes had been made to assist strengthening capabilities across the organisation. New Directors in Human Resources, Resource Mobilisation and Integration and Climate Change had been hired. The Deputy Director-General (DD-G) roles were realigned with a OneSPC approach to improve delivery for members. The focus in 2022 would be on building cross-cutting programmes across key focus areas that delivered integrated solutions for members.
8. Progress has been made on transforming institutional effectiveness and governance through the Pacific Community Strategic Plan 2021+ process, which had been based on a member-driven, inclusive approach that promoted Pacific thought leadership and voices. He emphasised continued collaboration with the Council of Regional Organisations of the Pacific (CROP) family on the 2050 Blue Pacific Strategy and the need to strengthen partnerships and coordination to optimise resources, networks and assets for the benefit of the region. On the international front, SPC had played a key role in the UN's Food Systems Summit, UNFCCC COP26, the UN Ocean Decade, the UN High-Level Dialogue on Energy, the sustainable use of marine biological diversity of areas beyond national jurisdiction (BBNJ) Agreement and support for the Convention on Biological Diversity (CBD) as part of the 15th Convention of Parties.
9. The Director-General welcomed the resumption of the membership of United Kingdom (UK), which brought the total number of members to 27, and looked forward to working with them in the future. He welcomed the European Union (EU) as a permanent observer to SPC following an out-of-session decision by SPC's members. The EU was a long-standing and significant donor to SPC and this closer engagement would ensure more consistent engagement with SPC in support of regional programmes. He acknowledged the renewal of existing partnerships with NZ, Australia and France. These partnerships were critical to achieving a long-term view and confidence, both in programming and finance. He noted new partnerships with the Green Climate Fund (GCF) and Adaptation Fund to support members in accessing climate finance. Through the Director of Integration and Resource

Mobilisation, SPC continued to actively pursue new opportunities to support members in the future.

10. Members warmly welcomed the UK's resumption of membership to SPC as its 27th member, and the EU as the first permanent observer to SPC. The UK underscored its commitment to SPC and the region, and was pleased to resume membership. The members also affirmed that SPC was a highly-valued partner in the region, and expressed deep appreciation for the good work done by SPC in 2021 and commended the Director-General's leadership and commitment of the Secretariat staff.

11. CRGA:

- i. welcomed the Director-General's Report.

AGENDA ITEM NO. 3: POLYNESIA REGIONAL OFFICE

12. The Secretariat presented an update of the work undertaken by the Polynesian Working Group (PWG) on establishing an SPC Polynesia Regional Office (PRO). Based on the work of the PWG, SPC's Polynesian members unanimously declared they were in favour of establishing a PRO and presented recommendations and options for key aspects of establishing the PRO, including finance and costing, staffing and host country criteria. In 2022 as part of a phased approach, the PRO would start its operations out of Suva, Fiji, with a proposed transition to the successful host country in early 2023. Members noted the opportunity that the establishment of the PRO presented for SPC's work plan in Polynesia and the better integration it would encourage between the English and French-speaking Polynesian triangle. In addition, members highlighted the role of the PRO in fostering a OneSPC approach through closer sub-regional engagement and links with SPC's main hubs and other decentralised offices.

13. CRGA endorsed:

- i. the establishment of a Pacific Community Polynesia Regional Office (PRO) based on a phased approach under which, in year 1, the office will begin operating out of the Suva Regional Office;
- ii. the budget for year 1 of the office, recognising that it will evolve as part of SPC's budget process in subsequent years;

- iii. the proposed option for staffing, noting this is an ideal provisional structure that is likely to change over time;
- iv. the proposed criteria for hosting the PRO, which will form the basis for accepting and assessing expressions of interests from potential host countries;
- v. the proposed process for selecting a host country for the PRO.

AGENDA ITEM NO. 4: PACIFIC COMMUNITY STRATEGIC PLAN 2021+ AND RESULTS FRAMEWORK

14. The Chair of the CRGA Subcommittee for the Strategic Plan, Mr Jimmy Naouna of New Caledonia, co-presented the draft Pacific Community Strategic Plan 2021+ (Strategic Plan), which was co-developed by SPC members and the Secretariat according to the key principles of CRGA stewardship, inclusive consultation and high-level thought leadership. The Plan was aligned with the 2050 Strategy for the Blue Pacific Continent and members' priorities at national, regional and global level. The draft Strategic Plan was developed as a navigational tool that would guide the work and service of SPC in years to come and incorporated both the cultures and the contexts of the Pacific region and members' visions for the future. Over the past 24 months, SPC had embarked on a journey of reflection and learning to inform the long-term thinking and planning towards the Blue Pacific's long-term vision. The CRGA Subcommittee and Secretariat led members through several participatory processes that focused on culture and connections to ensure the organisation's continued and evolved support for all Pacific people. The resulting Strategic Plan was co-developed and adaptive, which enabled the achievement of shared goals through transformation and collaboration.
15. The Director-General thanked the Chair of the Subcommittee for his leadership during the Strategic Plan process, and also acknowledged the insight and commitment from the members of the Subcommittee, the Strategy, Performance and Learning (SPL) team and all SPC staff. He spoke to the 10-year horizon and vision of the Strategic Plan, which emphasised SPC's value proposition, and highlighted the transformative pathways: Policy to action; data, statistics and knowledge; innovation and research; digitisation and technology; and capability and influence. He also highlighted the high-level draft Strategic Results Framework and how performance against the Plan would be measured.
16. The Chairperson, members and permanent observer commended the leadership of the Chair of the Subcommittee, the drafting committee and the SPL team for the time, effort and dedication that had gone into the development of the Strategic Plan. They expressed appreciation for the clear linkages between the Plan, regional priorities, national

development plans and the 2050 Strategy for the Blue Pacific Continent, together with the organisation's strategic results framework and budget. Members emphasised the importance of building ownership to ensure a people-centred approach, and weaved in broad perspectives for the co-creation of the Plan. On Australia's suggestion, members agreed to highlight gender sensitivity in the text of the Strategic Plan (Key Focus Area 4: Transforming Institutional Effectiveness). The EU Ambassador highlighted the EU's ongoing commitment to partnering with Pacific countries through SPC, including through additional funding to new programmes.

17. Members recognised the important role of the Subcommittee. The Secretariat opened nominations for the membership of the next CRGA Subcommittee for the Strategic Plan, which would be established in 2022.

18. CRGA:

- i. endorsed the Pacific Community Strategic Plan 2021+, including the draft strategic results framework and the inclusion of stronger language on gender inclusivity, and commended it to the 12th Conference of the Pacific Community for adoption;
- ii. acknowledged the commitment and service of the current CRGA Subcommittee for the Strategic Plan, which had played a critical role in providing consistent strategic guidance to SPC for 6 years;
- iii. affirmed the continued role of the subcommittee in providing this guidance and directed the Secretariat to open nominations for subcommittee membership in early 2022.

AGENDA ITEM NO. 5: REVIEW OF PACIFIC COMMUNITY GOVERNANCE ARRANGEMENT

19. The Secretariat presented an updated version of the Pacific Community Governance Arrangement (PCGA) for consideration by members, to reflect recent decisions by Conference and CRGA, and updates necessary following the resumption of the UK's membership with SPC. Members welcomed the changes to the PCGA, which ensured the agreement remained up to date and accessible. On the USA's suggestion, members supported that the proposed paragraph 3 be struck from the PCGA to ensure that all members continued to have the opportunity to review and approve changes. The Secretariat agreed to provide a table matrix summarising any changes to the PCGA and to consider whether additional revisions will be required to reflect the remote nature of some meetings.

20. CRGA:

- i. approved the Pacific Community Governance Arrangement with the deletion of the proposed paragraph 3, and recommended its adoption by the 12th Conference of the Pacific Community;
- ii. recommended the Conference direct the Secretariat to make the necessary updates to the Pacific Community Governance Arrangement and all other governance documents to reflect the United Kingdom's resumption of its membership.

AGENDA ITEM No. 5: CRITERIA AND PROCEDURE FOR APPOINTMENT OF THE DIRECTOR-GENERAL OF THE PACIFIC COMMUNITY

21. The Special Session of CRGA in November 2019 directed the Secretariat to establish a working group to strengthen the Director-General's recruitment process. The working group had considered and agreed to the revised text, which the Secretariat presented as the updated version of the 'Criteria and procedure for the appointment of the Director-General of the Pacific Community'.

22. CRGA:

- i. approved the updated 'Criteria and procedure for appointment of the Director-General of the Pacific Community' and recommended its adoption by the 12th Conference of the Pacific Community;
- ii. noted that the updated version will become Annex 3 of the Pacific Community Governance Arrangement.

AGENDA ITEM NO. 5: MEMBERSHIP AND OBSERVER POLICY

23. The Secretariat presented a revised version of the Membership and observer policy for members' consideration. CRGA 50 had directed CRGA 51 to assess options for removing the ability to waive the fee for permanent observers. In an out-of-session consultation in

July 2021, members expressed a preference to maintain the fee for permanent observers with no possibility of a waiver.

24. CRGA:

- i. approved the revisions to the Pacific Community Policy on Membership and Observer Status and recommended its adoption by the 12th Conference of the Pacific Community;
- ii. approved the Policy being included as an annex to the Pacific Community Governance Arrangement.

AGENDA ITEM NO. 6: FINANCE

AGENDA ITEM NO. 6: AUDIT AND RISK COMMITTEE REPORT

25. The Chair of the Audit and Risk Committee (ARC), Mr Alan Cairns, expressed his condolences for the passing of SPC's late Director of Finance, Mr Subhash Gupta, and gave his thanks to the Director-General and SPC's Senior Leadership team over the last 12 months.
26. On behalf of the ARC, he updated CRGA on the committee's work over the last year and gave an assessment of the risk context of the organisation. COVID-19 continued to affect SPC's operations, in particular with regards to low project implementation rates, but the organisation had maintained a balanced budget and maintained its reserves. The ARC welcomed the establishment of an in-house internal audit team to ensure an annual programme of work was being implemented alongside external auditors. The ARC Chair noted progress on assessing and managing risk, strengthening business and Enterprise Content Management systems, reforming SPC's procurement and grants area and the expanded scope of the 2021 external audit.
27. Members thanked the ARC Chair and the committee for its continued financial and risk oversight of the organisation. In response to members' queries on implementation in 2022, the ARC Chair noted that implementation rates were being closely monitored by SPC and there were ongoing discussions with development partners to ensure SPC adapted to the current context.

28. CRGA:

- i. noted the report from the Chair of the Audit and Risk Committee (ARC);
- ii. noted that the external auditors provided an unqualified audit opinion for SPC's 2020 financial statements and that ARC recommended the acceptance of these statements;
- iii. approved the ARC's unanimous recommendation, that following a competitive selection process, to appoint KPMG (Fiji) as external auditors for SPC for the financial years 2022-2025.

AGENDA ITEM NO. 6: UPDATE ON 2021 PERFORMANCE

29. The Secretariat presented the revised 2021 budget, which was approved by CRGA 50 in 2020, with a reduced budget income of EUR 3.8 million due to a EUR 6.4 million reduction in project implementation, but partially offset by a EUR 2.6 million increase in programme funding. This was a balanced budget in line with what had been approved for 2021, with total income and expenditure of EUR 82.35 million (originally EUR 86.17 million).
30. Project and programme implementation continued to be negatively impacted by the COVID-19 pandemic over and above the 2021 budget revision but the decline in project management fees (PMF) had been offset by the reduction in core expenditure related to a reduction staff recruitment and travel, capital expenditure (CAPEX) underspending and conservative exchange rate management. A marginal increase in core income was driven by strong cash management practices. This had resulted in an operating surplus of EUR 2.41 million as of September 2021, which was expected to be carried through to year end.
31. The Secretariat reinforced the importance of programme funding and the flexibility that it gave the organisation in its pivots in response to COVID-19. Members supported the importance of partners adopting multi-year restricted programme funding.
32. The Secretariat drew member's attention to the continued level of progress towards the target for PMF of 15% as mandated by CRGA 46. The actual rate of PMF achieved in 2021 was 11% and further engagement with partners, for example the Green Climate Fund, was needed to move closer to the target PMF rate. Members encouraged all partners to make efforts to pay the target PMF of 15%.
33. The Secretariat noted that several member countries and territories had not paid their assessed contributions and host country grants for 2021, or remained in arrears for prior years. This totalled EUR 3.08 million. Delays in payments of assessed contributions and host country grants have a direct impact on SPC's cash flow and ability to provide services to

members and the Secretariat encouraged those members to make timely payments or, for members in arrears, to enter a repayment plan with the Secretariat.

34. SPC continued to pursue resource mobilisation through strategic partnerships and accreditations to build a strong pipeline of projects, which totalled EUR 36.34 million as of August 2021, with new projects at concept stage worth EUR 35.99 million.

35. CRGA:

- i. noted the revision of the 2021 budget, which was primarily driven by the continued impact of COVID-19 on project implementation;
- ii. noted the positive financial performance as of September 2021, based on the 2021 revised budget;
- iii. recognised that timely payment of assessed contributions and host country grants is critical to SPC's financial sustainability and capacity to continue to provide services and programmes to members;
- iv. urged members that have not yet paid their outstanding contributions to SPC to do so.

AGENDA ITEM NO. 6: 2022 BUDGET, INCLUDING REMUNERATION

36. The Secretariat presented the proposed 2022 budget, which had an income of EUR 99.02 million and expenditure of EUR 99.54 million. This had been balanced with a marginal drawdown from reserves of EUR 0.52 million. The deficit of EUR 520,000 was a cash deficit due to CAPEX of EUR 550,000. The operating expenses (OPEX) budget was balanced. The Secretariat noted that the CAPEX did not include the potential funding of EUR 1.3 million for the construction of a new office building in Nabua, Suva, which was subject to ongoing negotiations. The 2022 budget breakdown was 83% project and programme funding versus 17% core funding.

37. The Secretariat was close to reaching a resolution on historical EU project ineligible. Negotiation on legacy issues with the EU would be finalised by the end of 2021 and future audits would be managed within the level of existing provisions. The Director-General indicated that a circular would be provided post CRGA and Conference for out-of-session approval of the resolution to the EU ineligible issue.

38. The Secretariat noted that risks to 2022 performance had been identified and mitigating

actions were being taken. Going forward, SPC would not include CAPEX in its operating (OPEX) budget and this would be accounted for separately. This would be applied in the revised 2022 budget.

39. As in 2020 and as reflected in the recommendations of Paper 9.a, any consideration of market increase for salaries and shifts in the midpoint of salary bands were deferred.

40. CRGA:

- i. approved the proposed budget for 2022;
- ii. approved the Secretariat's proposal to liaise with members of the working group on assessed contributions and host country grants to assess whether consultations on these matters can recommence in 2022;
- iii. encouraged all development partners to consider adopting multi-year restricted programme funding;
- iv. noted the potential drawdown of conditional funding of EUR 1.3 million from the reserves for construction of a new office building in Nabua, Suva.

**AGENDA ITEM NO. 7 DIRECTOR-GENERAL'S PERFORMANCE EVALUATION AND CONTRACT
RENEWAL
(Closed session)**

41. CRGA:

- i. endorsed the Standing Committee's assessment that the Director-General has, over the past year, performed in the 'adding value zone', i.e., his performance has consistently exceeded the requirements of the position;
- ii. approved the Standing Committee's recommendation that the 12th Conference of the Pacific Community offer Dr Stuart Minchin an extension of his appointment as Director-General of the Pacific Community for a period of two years, from the end of his current contract;
- iii. noted that the implementation of any salary increase for the Director-General is effective from the beginning of the year following this review. As the Director-General has indicated his preference to cap any increase at 100% of band 18, this will be applied;

- iv. recommended that women in leadership and gender parity at senior level be a key focus area for the Director-General's performance in 2022;
- v. noted that the Standing Committee will relay the outcome of this performance assessment to the Director-General following CRGA.

AGENDA ITEM NO. 8: CRGA 52 – VENUE, CHAIR AND VICE-CHAIR

42. In accordance with the CRGA Rules of Procedure, CRGA 51 agreed that CRGA 52 would be held in Noumea, New Caledonia. The Chairperson would be provided by Samoa and the Vice-Chairperson by Pitcairn. The dates for this meeting would be finalised and members would be notified in due course. The Secretariat was hopeful that these meetings could be convened in person.
43. CRGA noted that:
- i. the venue for the meeting of CRGA 52 will be Noumea;
 - ii. Samoa will provide the Chairperson for CRGA 52, and Pitcairn will provide the Vice-Chairperson;
 - iii. the thematic session of the 12th Conference of the Pacific Community will be held in Vanuatu in 2022, with Vanuatu remaining as Chair and Niue as Vice-Chair;

AGENDA ITEM NO. 9: OTHER BUSINESS (For noting)

44. Members considered five information papers under this agenda item. No comments or queries were received and their recommendations are considered approved as follows.

AGENDA ITEM NO. 9: HUMAN RESOURCES REPORT

45. CRGA:

- i. noted progress in implementing the human resources work programme and key initiatives in alignment with the Operations and Management Directorate's business plan;
- ii. encouraged the Secretariat to continue investing in health and safety initiatives to meet its objectives of zero accidents and occupational illnesses, elimination of hazards and reduction of risks;
- iii. directed the Secretariat to continue working to develop a high-performing, engaged and diverse workforce as a critical contribution to 'One SPC' and to high-quality service delivery to members;
- iv. noted the Secretariat does not propose a general market increase in salaries for 2022;
- v. directed the Secretariat to defer implementing the 2.5% midpoint band shift to 2023 (noting that in 2019, CRGA approved this shift for implementation in 2021);
- vi. noted the establishment of new salary scales for locally recruited staff in locations where these did not previously exist.

AGENDA ITEM NO. 9: UPDATE ON CRGA 50 DECISIONS

46. CRGA 51 was provided with an update on the implementation of CRGA 50 and out-of-session decisions.

AGENDA ITEM NO. 9: OUT-OF-SESSION DECISIONS

47. CRGA 51 was provided with a summary of out-of-session decisions approved by members since CRGA 50.

AGENDA ITEM NO. 9: REPORT FROM THE PACIFIC BOARD OF EDUCATIONAL QUALITY (PBEQ): A CRGA SUBCOMMITTEE

48. CRGA:

- i. noted the report from the sixth annual meeting of the Pacific Board for Educational Quality (PBEQ), which is a subcommittee of CRGA.

**AGENDA ITEM NO. 9: UPDATE ON OUTCOMES OF THE HIGH-LEVEL DIALOGUE ON
YOUTH – PACIFIC YOUTH DEVELOPMENT FRAMEWORK**

49. CRGA:

- i. recognised the impacts of COVID-19 on youth and the associated responses at regional and national levels;
- ii. noted the update on the mid-term review of the Pacific Youth Development Framework (PYDF) and progress made in its implementation;
- iii. reaffirmed the calls by CRGA 48 and CRGA 49 for more resources for implementation of the PYDF, for all members to lead resourcing for youth development, and for the Secretariat to deliver regional interventions aligned with the PYDF;
- iv. supported the efforts being made to assist youth, and directed SPC to continue to strengthen integrated programming focused on youth across the organisation.

AGENDA ITEM NO. 10: EVALUATION OF CRGA 51

50. CRGA 51 responded to questions evaluating the conduct and content of the meeting.

AGENDA ITEM NO. 11: ADOPTION OF CRGA 51 DECISIONS

51. CRGA 51 adopted its decisions.
