

**LETTER TO CONFERENCE FROM THE CHAIRPERSON OF CRGA,
THE REPRESENTATIVE OF PITCAIRN**

The Honourable Gaston Flosse
President of the Government of French Polynesia
Chairperson of the First Conference of the Pacific Community

Papeete, Tahiti, French Polynesia

3 December 1999

Your Excellency, The Honourable Gaston Flosse

As Chairperson of the Twenty-ninth Meeting of the Committee of Representatives of Governments and Administrations (CRGA), I would like to put on record CRGA's appreciation of you, Mr President, for taking time out of your very busy schedule to chair this first historic meeting of the Conference of the Pacific Community.

It has been a privilege for me personally, as the Representative of Pitcairn, to have chaired this recent meeting of CRGA in this beautiful island of Tahiti, and to enjoy the warm hospitality of your people. On behalf of CRGA, let me through you Mr Chairperson congratulate French Polynesia for the excellent arrangements for our meeting.

It is now my pleasure to present to you the Report of the deliberations of the Committee for the consideration of the First Conference of the Pacific Community.

Mr Chairman, attached to this letter are the actual recommendations adopted by the Twenty-ninth Meeting of CRGA and presented to Conference for deliberation and approval by the Conference. In order to facilitate your deliberations, however, I now wish to highlight some of the important issues discussed at CRGA 29.

Director-General's Annual Report and Review of Achievements

The Committee noted the Director-General's Report and commended it to Conference. It is my pleasure to point out that, in doing so however, CRGA 29 thanked Dr Dun for a magnificent achievement during his four years of office and for the way in which he has turned the organisation around during this time.

SPC's Organisational Structure

After hearing the Director-General's report on SPC's current organisational structure, the Committee agreed that the Director-General be allowed flexibility to make necessary structural changes aimed at maintaining organisational efficiency, as required by his or her responsibility to manage within the guidelines of established policy. However, where a planned structural change is of a major nature involving considerations of policy direction and/or cost increase, approval of CRGA and Conference should be sought.

Programme Presentations

Following a thematic presentation on “Guardianship of Pacific Island Resources: Land, Sea, People”, the Committee heard presentations from all three SPC Divisions: Land, Social and Marine Resources, on their highlights and achievements during the past year. This provided the opportunity for an interactive exchange between the Secretariat and the members and donor partners. The dynamic Powerpoint presentations were particularly appreciated and offered scope for members to evaluate the work carried out by the SPC in relation to the expressed priority needs of the members. The written presentations are appended to the report of CRGA.

Remuneration of Seconded Staff

Following a discussion on the question of remuneration of seconded staff, and current non-adherence to the relevant Conference decision, the Committee agreed to recommend to Conference that its 1983 Saipan decision not apply to a number of specific cases listed in the recommendation. Mindful of the need for both standardised, regional terms and conditions of employment and the need for effective co-operation with members, donors and other organisations contributing to Pacific development, the Committee recommended that the Executive seek a workable compromise between the two.

Changes in the Staff and Financial Regulations

In dealing with this item, the Committee focused on the question of equity between staff in their terms and conditions of service, and believes that the proposed change reflects this principle. The proposal is detailed in the actual recommendation.

SPC’s Budget Strategy: Core and Non-Core

The Committee recommends to Conference that it adopt a change from “same-real” to “same-nominal” approach to budget preparation, starting with the Year 2001 Budget. In connection with this change, the Secretariat and CRGA 29 were asked to look at options for levying administrative charges on project funding. The Secretariat is also asked to negotiate with Australia and New Zealand regarding an “insurance” mechanism for SPC against wide fluctuations in currency value. The Secretariat is instructed to continue to pursue non-core funding for new initiatives, noting that their inclusion in the work programme is ultimately determined by CRGA and Conference.

The 1999 Core Budget Revision

The Committee approved the revised budget as attached to its report, totalling 8,003,422 XPF units, noting that it was a balanced Budget reduced in size by 120,000 XPF. The Committee is satisfied that this revision is a best-fit compromise, cutting Administration costs to safeguard the Programmes, rendered necessary by substantial loss of income caused by unforeseeable events such as wide currency fluctuations, but also by additional and unforeseen funding requirements.

Applications for Community Membership

The Committee recommends to Conference a policy decision with respect to new and returning members which elaborates on the relevant decisions of the 1993 Conference. The proposed policy recognises that the Pacific Community is open to enquiries from interested member governments regarding application for new membership and outlines a procedure for such applications. In doing so, CRGA reaffirms however that such admission is a matter of policy where a decision can only be made by Conference and by consensus.

It is worth noting, Mr Chairperson, that the Committee directed the Secretariat to present a policy paper to CRGA 30, listing various options and their implications, financial or otherwise, for new members, and in particular exploring the concept of Associate Membership flagged by the Secretariat.

Developments with the Tuna Management

This item related specifically to the possible role of SPC's Oceanic Fisheries Programme in the provision of scientific advice for the regional management of tuna stocks, as currently under discussion at the ongoing series of MHLC. Let me point out, Mr Chairperson, that the views of the Committee were sought for future planning but that no particular decision is required at this stage.

Issues Appearing as Separate Items on the Agenda of the Conference

A number of issues discussed at CRGA also appear on the agenda of the Conference. Let me mention them here for your information, even though they are not presented now for your consideration and approval, as the Conference will discuss them separately. These include major policy recommendations centred around issues of Pacific regionalism such as the SPC-SOPAC integration, and the proposed "Déclaration de Tahiti" which should serve a useful role in detailing clearly the current operational policies of the organisation. Other issues of regional importance to the organisation are the Fiji-Government project for a new regional office for SPC's Suva operations as outlined in the Pacific Village Project and the recommendation for adoption of a new logo and flag for the Pacific Community. CRGA 29 also discussed a number of important administrative issues and asks Conference to approve the Year 2000 Budget for SPC, and to consider the policy issue of harmonisation of employment terms and conditions for regional organisations and to receive the reports of the 1998 audit of the organisation.

Last, but not least, CRGA 29 discussed *in camera* the nomination of the Director-General and its recommendation is contained in a separate letter to you, Mr Chairperson.

SPC-SOPAC Integration

The initiative by the chief executives of SPC and SOPAC to examine the value and benefits of integration of the two organisations recently progressed with the approval by the SOPAC Governing Council to pursue this investigation.

After some discussion, the Committee agreed to recommend to Conference that it join with SOPAC's Governing Council in requesting the following joint action by the Secretariat. In the first quarter of 2000, the Secretariats of the Pacific Community and SOPAC will jointly manage a consultancy to examine the benefits of SPC-SOPAC integration. The consultants' report will then be considered by both governing bodies in the second part of the Year 2000. The Committee agreed that those conducting the study should consult as widely as possible, especially with non-members of SOPAC, availing themselves of the improved telecommunications to take into account the limited proposed budget. The Committee requests Conference to specifically delegate the authority to CRGA 30 next year to take the appropriate decisions depending on the outcome of the consultancy.

The State of the Canberra Agreement and the "Déclaration de Tahiti"

Although the mandate and role of the Pacific Community have remained the same since the signing of the Canberra Agreement that established the organisation in 1947, the operational structures and operational policies of the Pacific Community bear little resemblance to those of that time. Last year's CRGA accepted the offer by the Government of New Zealand to produce a legal opinion on whether the current status of the Canberra Agreement posed any problems for the Pacific Community. I am happy to report that the legal opinion clearly stated that it was not necessary to change the Canberra Agreement since many changes had taken place in practice without such amendment, including the change of name. Changes agreed by the Members have generally been incorporated into the "Déclaration de Tahiti", and suggested that if Members accepted the legal opinion, the CRGA could recommend to Conference adoption of the "Déclaration de Tahiti". The "Déclaration" clearly details the current operational structures and operational policies of the organisation. This document is presented for your consideration and approval.

The Committee recommends to Conference that it adopt a resolution that recognises the importance and continued relevance of the Canberra Agreement as the founding document of the Pacific Community, recalls the constitutional changes to the organisation agreed by Members since the conclusion of the Canberra Agreement, and notes that these constitutional changes have generally been incorporated into the document known in English and French as “Déclaration de Tahiti”. The resolution adopts the “Déclaration de Tahiti” as a factual statement of the current operational structures and operational policies of the organisation, and requests the Secretariat to print the “Déclaration de Tahiti” as a companion document to the Secretariat’s Corporate Plan.

Pacific Village

Since this item was last discussed at CRGA and Conference, this project for the new regional office for SPC and a new headquarters for SOPAC and TCP in Suva has been picked up by Fiji as a Fiji-Government project. The Committee thanked Fiji for its initiative and efforts. It endorsed Fiji’s lead role in exploring funding arrangements. The Committee however expressed concern about the estimated costs of construction and maintenance, and requested the Government of Fiji Islands, the architects and the three regional organisations to review the project with a view to reducing costs, particularly those relating to the Conference facility, and to explore the possibility of running the Conference facility separately and on a commercial basis. The Committee was impressed by the winning design of the competition organised by Fiji and commended the architects. The Committee endorsed the winning design of the Pacific Village project. The Committee however made it clear that its support for the work on the Pacific Village project did not imply that members had agreed to fund its construction. The Committee recommends to Conference to endorse the recommendations attached.

The Pacific Community’s Logo and Flag

The Committee recommends to Conference the adoption of the proposed new logo and flag for the Pacific Community.

The Year 2000 Budget

The Committee recommends to Conference approval of the proposed Year 2000 Budget based on a total expenditure of 25,707,527 XPF units, as attached to its report. Let me say, Mr Chairperson, that the Committee was pleased overall with the presentation of this Budget. The only concern registered was that of the United States of America who could not support the increase over the 1999 Revised Budget levels.

Harmonisation of employment terms and conditions for regional organisations

The Committee recommends for adoption the recommendations relating to a new methodology for setting remuneration levels approved by FOC and the respective Councils of SOPAC and SPREP for adoption respectively by the three organisations, while taking into account the specificities of SPC. The Committee deferred incorporation of the current interim 9% salary increase into the base contracts of professionals, pending the job sizing and market comparator exercise. The Committee also sought the inclusion of the non-Forum member countries which have missions in Suva in the Inter-Agency Working Group set up to facilitate implementation of the Remuneration Strategy across all relevant CROP Agencies. Mr Chairperson, the full text of the proposed recommendation is included in the Committee’s Report and is a separate item on the Agenda of Conference.

Audit Reports for the 1998 Financial Year

It is my pleasure to report that, similar to the previous year, the auditor’s report and financial statements for 1998 show a clean bill of health for the organisation. For the third year in a row, the auditors have given an unqualified report of SPC financial operations.

The only concern raised in the report is the need for the Secretariat to consider a policy of depreciation, which it has already begun to investigate. The Secretariat has also begun to implement a number of suggested improvements on the administration, accounting and internal control procedures in force during the 1998 audit year.

Appointment of SPC's Chief Executive

This item was discussed *in camera* between SPC members and in the presence of Director-General Dr Dun who served as the Secretary of the Selection Advisory Committee, with the services of the interpretation team.

As Chairperson of CRGA, I have written to you separately, Mr Chairperson, to advise the Conference through you of the outcome of the vote conducted by CRGA 29 for the nomination of Dr Dun's successor.

CRGA 30

Allow me to conclude, Mr Chairperson, by confirming that CRGA 30 will be held in October 2000 at SPC Headquarters in Noumea, with the Chair provided by French Polynesia and the Vice-Chair by Samoa.

Let me through you, Mr Chairperson, ask Conference to consider the report CRGA 29 and to approve the recommendations put forth by the Committee to Conference.

Yours sincerely

His Excellency, Mr Michael Dibben
High Commissioner
British High Commission, Suva, Fiji
Representative for Pitcairn

LIST OF RECOMMENDATIONS – CRGA 29

Director-General's Annual Report and Review of Achievements

The Committee noted the Director-General's Report and commended it to Conference.

SPC's Organisational Structure

The Committee recommended that the First Conference of the Pacific Community:

- a) Note the nature of SPC's current organisational structure;
- b) Note that the Director-General may continue to modify this structure from time to time in order to maintain organisational efficiency as required by his or her responsibility to manage within the guidelines of established policy;
- c) Note that the approval of CRGA and Conference should be sought where a planned structural change is of a major nature involving considerations of policy direction and/or cost increase.

Remuneration of Seconded Staff

The Committee recommends to Conference that its 1983 Saipan decision be not seen as necessarily applying to:

- (a) Seconded staff being paid within the salary scales of their parent organisations;
- (b) Donor-funded experts where the donor's financial regulations don't allow further compromise;
- (c) Volunteers and trainees who have been welcomed to contribute within SPC programmes;
- (d) Staff located in member countries and territories where the rigid application of SPC salary scales would pose major personnel problems for the host Departments.

The Committee also recommends that the SPC Executive continue to seek a workable compromise between the need for both standardised, regional terms and conditions of employment – and the need for effective co-operation with members, donors, and other organisations contributing to Pacific development.

Changes in the Staff and Financial Regulations

The Committee recommended to the First Conference of the Pacific Community that it:

- a) Re-affirm the principle of equitable treatment of all SPC staff, by abolishing rule 7.1 b) of the Provident Fund Rules, which makes specific reference to increased employer's contribution for those staff employed prior to 1 October 1983. The abolition of the rule would take effect on 1 January 2000; and

- b) Approve that those individuals currently enjoying this benefit would continue to do so for the remainder of their current contracts, and that should they be offered renewal of appointments, these should be under new and more equitable terms and conditions of service.

SPC's Budget Strategy: Core and Non-Core

The Committee recommended to the First Conference of the Pacific Community that it instruct the Secretariat to:

- a) Prepare the Core Budget and the related calculation of members' assessed contributions on a 'same-nominal' basis as from and including the Year 2001 Budget;
- b) Prepare a paper outlining options for levying administrative charges on project funding for CRGA 30, which should be circulated to members as soon as possible;
- c) Negotiate with Australia and New Zealand regarding an 'insurance' mechanism for SPC against fluctuations in currency value; and
- d) Continue to pursue non-core funding for new initiatives, noting that CRGA and Conference determine whether or not such projects are ultimately included in the Secretariat's work programme.

The 1999 Core Budget Revision

The Committee approved the 1999 Revised Core Budget as contained in Annex 8 of the report of CRGA 29.

Applications for Community Membership

The Committee directed the Secretariat to present a policy paper for presentation to CRGA 30, presenting various options for new members and the implications of each option, financial and otherwise, and in particular exploring the concept of Associate Membership.

The Committee agreed to recommend to Conference the following policy position with respect to new and returning members, elaborating on the decisions of the 1993 Conference on admission of new members:

- Admission of new members to the Pacific Community is a matter of policy where a decision can only be made by Conference and by consensus;
- Until decided otherwise by Conference, the Pacific Community is open to enquiries from interested governments regarding application for new membership;
- That the Director-General be empowered, when directed by CRGA and Conference, to enter into negotiations on financial details of membership with potential new and returning members. In the course of such negotiations, the Director-General must consult with and seek the direct assistance of particular Community members as appropriate. The Director-General must keep all members fully informed concerning the progress of any such negotiation;
- That the final formal offer on terms of entry be received by the Director-General from the applicant for relay to all Community members seeking advice and comment from them;
- Depending on the response from members, the Director-General would recommend on formal processing of the offer by Conference as regards likely acceptance;

- The prospect of likely rejection would lead to either continued negotiation as above or to cessation of the bid;
- There should be no agreement to either new or returning membership by Conference before the financial terms have been settled;
- The question of whether or not a new member's assessed contribution is additional to existing contributions should be decided before acceptance of membership.

SPC-SOPAC Integration

The Committee agreed to recommend to Conference that it join with SOPAC's Governing Council in requesting joint action by the Secretariats as follows:

- a) In the first quarter of 2000, the Secretariats of the Pacific Community and SOPAC jointly manage a consultancy to examine the options for SPC-SOPAC integration;
- b) The consultants' report be considered by both governing bodies in the second half of 2000;
- c) Those conducting the study should consult as widely as possible, especially with non-members of SOPAC, taking into account the limited proposed budget for the consultancy, and especially making use of improved telecommunications technology;
- d) The Committee requests Conference to specifically delegate the authority to CRGA 30 to take the appropriate decisions depending on the outcome of the consultancy.

The State of the Canberra Agreement and

The "Déclaration de Tahiti" – being the operational policies of the Pacific Community, year 2000

The Committee agreed to recommend to the First Conference of the Pacific Community that it adopt the following resolution:

The First Conference of the Pacific Community:

- *Recognises the importance and continued relevance of the Canberra Agreement as the founding document of the Pacific Community;*
- *Recalls the constitutional changes to the organisation agreed by Members since the conclusion of the Canberra Agreement;*
- *Notes that these constitutional changes have generally been incorporated into the document known in French and in English as "Déclaration de Tahiti";*
- *Adopts the "Déclaration de Tahiti" as a factual statement of the current organisational structure and operational policies of the organisation; and*
- *Requests the Secretariat to print the "Déclaration de Tahiti" as a companion document to the Secretariat's Corporate Plan.*

The Pacific Village

The Committee:

- (a) Thanked the Government of Fiji Islands for its initiative and efforts on the proposed Pacific Village project;
- (b) Commended the architects for their proposed design;
- (c) Expressed concern about the estimated costs of constructing and maintaining such a new facility;
- (d) Asked that the Government of Fiji Islands, the architects and the Secretariat review the project with a view to reducing its costs, in particular those of the proposed conference centre, including its ability to pay for itself, and report back to members;
- (e) Endorsed the Fiji Islands Government's lead role in exploring funding arrangements for this project, taking into account the concerns and suggestions expressed by members at CRGA 29;
- (f) Noted that its support for the work on the Pacific Village did not imply that members had agreed to fund its construction;
- (g) Recommended to the First Conference of the Pacific Community that it endorse the above recommendation.

The Pacific Community's Logo and Flag

The Committee recommended the new logo and flag proposed by the Secretariat to the First Conference of the Pacific Community for approval.

The Year 2000 Budget

The Committee:

- (a) Taking into account the position recorded by the Representative of the USA, and the comments made by the Representative of Australia;
- (b) Approved the Year 2000 Budget (Core and Non-Core) and recommended it for adoption by the First Conference of the Pacific Community.

**Impact on SPC of Forsec's Remuneration Review
(Harmonisation of employment terms and conditions for regional organisations)**

The Committee agreed to recommend to the First Conference of the Pacific Community that it:

- (a) Approve for adoption by SPC the recommendations relating to a new methodology for setting remuneration levels approved by FOC and the respective Councils of SOPAC and SPREP for adoption respectively by the three organisations;
- (b) Note that the application of the new methodology would not be automatic and that salary adjustments would need to be approved by CRGA/Conference in the Budget context;
- (c) Defer the incorporation of the current interim 9% salary increase into the base contracts of professional staff, pending the results of the job sizing and market comparator exercise;
- (d) Note that the FOC salary structure for Support Staff in Fiji is based on taxable income and that SPC will have to revise the salary scales for its Fiji-based support staff whose income is not taxable;
- (e) Note that the salary scales for SPC Professional Staff based in Noumea and other locations outside of Fiji will be revised on the basis of the ECA Survey, using the Suva Professional Staff salaries as the base salaries;
- (f) Note that the Secretariat will seek the inclusion of the non-Forum member countries which have missions in Suva to be part of the Inter-Agency Working Group set up to facilitate implementation of the Remuneration Strategy across all relevant CROP Agencies.

**Audit Reports – Financial Year 1998
and
The Secretariat's Response to the Audit Reports**

The Committee considered the audited Financial Statements and submits them to the First Conference of the Pacific Community for acceptance.

The Committee considered and endorsed the Secretariat's response to the Auditors' management letter.

**Recommendation regarding the appointment of
SPC's Chief Executive**

[Discussed *in camera*]

The Committee agreed that the Chairperson of CRGA would write to the Conference Chairperson advising him of the results of the selection process at CRGA concerning the office of Director-General.

CRGA 30

The Committee noted that, according to CRGA's Rules of Procedure, the next meeting of the Committee of Governments and Administrations (CRGA 30) would be held at SPC Headquarters in Noumea, New Caledonia, in October 2000. The Chairperson will be the Representative of French Polynesia and the Vice-Chairperson the Representative of Samoa.
