

SECRETARIAT OF THE PACIFIC COMMUNITY
THIRTY-FIRST MEETING OF THE
COMMITTEE OF REPRESENTATIVES OF GOVERNMENTS AND ADMINISTRATIONS
(Republic of Nauru, 14-16 November 2001)

THE SPC PLAN TO IMPLEMENT THE NEW CROP REMUNERATION SYSTEM

(Paper presented by the Secretariat)

PURPOSE

1. The purpose of this paper is to present the Secretariat's plan to implement the new CROP Remuneration system that was approved at last year's CRGA.

The paper is divided into two main parts: Part A that provides details on key elements of new CROP Remuneration system, and cost-estimates for its implementation at the SPC; and Part B which offers funding strategies for Members to consider. Annexes that provide further clarification are attached.

BACKGROUND

2. Last November, CRGA30 approved, in principle, the implementation of the new CROP Remuneration system when it accepted the twelve recommendations made by the inter-agency Working Group on the harmonisation of terms and conditions of service for staff across all relevant CROP organisations. An excerpt from the CRGA30 meeting report summarising this decision is attached as Annex I to this Working Paper.

In approving the new system, CRGA30 also agreed that the Secretariat present Members with its analysis of the financial implications by mid-year 2001. The Secretariat did so through a Circular, dated 6 July, that provided details on the new CROP system, and the changes that would be required to the SPC's current salary and benefits structure in moving to the new system. The Secretariat provided its best estimates at the time of the increased costs that would result in putting the new system into effect. The Secretariat also offered funding options for Members to consider in order to effect the new plan.

3. There have since been further refinements to the Secretariat's financial analysis, and further updates on SPC's financials that are contained in this working paper. The updated information should enable Members to fully consider the Secretariat's implementation plan, and decide on the preferred funding option at the November CRGA meeting.

4. It would also be useful to recall a few points related to the new CROP Remuneration system that could assist in Members' consideration.
- The primary objective of the new remuneration system is to achieve harmonisation of general conditions of employment for staff working in regional organisations. This is an important policy for regional service enabling comparable professional staff to enjoy similar or identical terms and conditions of employment.
 - All relevant CROP organisations, with the exception of the SPC and SPREP, have put this new system into effect, many at the beginning of this year.
 - The new arrangements have varying impact on the different CROP organisations, depending on their size, their location, and their existing conditions of service. The SPC is the largest of the CROP agencies, with a staff complement about the size of the combined total of the other organisations. As such, the financial implications for the SPC would be far greater than the other organisations.
5. In developing the SPC implementation plan, the Executive committed to ensuring broad staff input and involvement in the process. Earlier this year, we formed an internal Working Group on Salaries, which included the President of the Staff Advisory Committee, and other senior management, to look at existing policies and mechanisms, and to advise on appropriate steps needed to implement the new system. Throughout this exercise, it was important to take the organisation's financial state into consideration.

The Working Group faced an enormous challenge in carrying out its task, given the complexities of the current remuneration system in place at the SPC. Its work was further complicated by the discovery early this year of the anomaly in the salary scale for professional staff in Noumea. After dedicating a considerable amount of time and effort to their task, the Working Group came up with a series of recommendations that were, for the most part, accepted by the Executive. Their recommendations largely form the SPC's implementation plan, as presented in this paper. It is also important to note that the Working Group's involvement in this exercise resulted in SPC staff being kept in the information loop throughout the year on the plan. The SPC staff is in favour of the implementation plan. The excellent work done by the four members of this Working Group is to be commended.

PART A: THE NEW CROP REMUNERATION SYSTEM

6. The Secretariat has prepared a summary of the elements of this new CROP remuneration package that will result in a change to the existing SPC salary and benefits structure. Annex I to this paper contains the general level of terms and conditions, accepted by all CROP agencies, that the SPC will now have to implement. For the purpose of this paper, only those components that require a change to SPC's current arrangements are discussed in some detail in this paper. In summary, these new elements are as follows:

- a) The new structure will have a new salary scale for professional staff.
 - b) Support staff salaries will be set by reference to local employment markets, based on appropriate market surveys.
 - c) All positions are to be job-sized using the agreed methodology.
 - d) A new staff performance management scheme will be introduced upon which increments and continued employment will be based.
 - e) The following associated benefits for staff will change:
 - Medical insurance premiums are to be paid fully by the organisation.
 - Life insurance will be provided to all staff.
 - Provident Fund for Noumea staff will be increased to 8%.
 - The level of housing subsidy for Suva and Noumea will be increased to 75%.
 - Long service leave for all staff will be abolished.
 - Home leave for Suva entitled staff will be granted after 18 months of service.
7. The projected annual cost of implementing these new arrangements is highlighted in the following summary table. You may note that the figures have been updated since the July 6 Circular and the projected increased costs now reflect more accurate estimations.

Summary of Estimated Costs in CFP units per year

	Core	Non-Core	Total
Salary Costs:			
Professional staff salaries	56,000	54,000	110,000
Support staff salaries *			
Job-sizing exercise *			
Total Salary Costs	56,000	54,000	110,000
Associated benefits:			
Medical insurance	60,000	52,000	112,000
Life insurance	45,000	65,000	110,000
Provident Fund (Noumea)	71,000	63,000	134,000
Housing subsidy	112,294	126,000	238,294
Long service leave **			
Home leave	31,000	36,000	67,000
Total associated benefits	319,294	342,000	661,294
Grand Total	375,294	396,000	771,294

* Not yet fully costed

** Significant savings expected

Professional Staff - Adoption of the new Salary scale

8. Under the new CROP Remuneration system, there will be a new salary scale for professional staff. The new scale differs little from the current one, except that it has broader, overlapping bands and it has nine salary steps as opposed to the current two. The existing scale went into effect in 1996 (following the Ruhen review of terms and conditions) and the current policy governing it stipulates that salaries are determined in SDRs and paid in the local currency.

The new CROP professional salary scale for Suva was adopted at last year's CRGA meeting, and is attached as Annex II (a) to this paper.

The new salary structure for professional staff in Noumea was established by the Secretariat following the internal Working Group's recommendation. The group used a formula that was established by a Sub-Committee of CRGA in 1995 that takes the agreed Suva SDR as its starting point and factors in costs of living differentials between Suva and Noumea and a number of other determinants. The new salary scale for Noumea professional staff is attached as Annex II (b) to this paper.

9. The general policy that guided the transposition of existing posts to the new professional salary scale is based on the need to maintain existing relativities of positions. This is seen by the Secretariat as being the fairest approach. Other CROP agencies have done the same. In moving to the new scale, the SPC is transposing positions from the current scale to the grade and point on the new scale which is the "next higher" in terms of the SDR salary.
10. The increased costs of moving onto the new salary scale beginning January 2002 are projected at 56,000 CFP units for Core and 54,000 CFP units for Non-Core.

Members may wish to note that the Secretariat has included these increased salary costs in the proposed Year 2002 Core budget plan that Members will be asked to consider at the November CRGA meeting.

The Support Staff salaries

11. Support staff positions in the new CROP system should have their salaries referenced to the local employment market, and the agreed job-sizing methodology should be applied to the positions to ensure appropriate comparison of the support positions to the local market. The approved policy is for support staff salaries to be in the top 25 per cent of comparable local salaries.

Earlier this year, we established a new internal Working Group in Noumea to examine the appropriate levels of Noumea support staff salaries and conditions. The group has agreed it is necessary to determine proper grading of support staff positions before matching them to the

local requirements. All support staff positions will be subjected to current job-sizing exercise before the end of the year 2001. The comparison will be with the New Caledonia public service to determine whether it falls within the top 25th percentile of that market. It should be noted that the survey of the New Caledonia public sector employment market has been completed by the New Caledonia Statistics Office.

12. At present, it is difficult to project increased costs for SPC Noumea support staff salaries and associated benefits. We are awaiting the outcome of the review of the Working Group to assist in this task. It is likely the review results will be presented to the SPC Executive before the end of this year. If so, it will be considered by the Executive in the subsequent budget revision process, and will be presented to CRGA for endorsement.

For the SPC Suva, a local market survey was conducted in 1998, and subsequently, small adjustments were made at the time to the SPC Suva support staff salary scale.

Annual leave

13. The CROP harmonised position is 25 days per annum but not less than the legal minimum requirement. Currently, SPC Suva provides its professional staff the required number of days, however, SPC Noumea has been giving its staff 30 days per year in annual leave.

The Secretariat is currently evaluating information it recently received regarding annual leave policies in New Caledonia that may result in a reduction of the total number of annual leave days provided to Noumea staff to 25.

We are also tightening our internal annual leave management system, that may lead to some additional savings for the organisation.

The Job-sizing exercise

14. In accepting the new system last year, CROP agencies agreed to undertake job-sizing exercises using the Mercer Cullen Egan Dell methodology for comparison against the new salary ranges. Under the plan, a sampling of positions was to be job-sized. Out of the total 243 positions in the SPC at the time, a total of 64 positions were job-sized, and only eight positions were affected, two downgrading and six upgrading.

There were some internal concerns about last year's exercise – mostly that staff were not fully appraised as to the job-sizing objectives and methodology. Amid these concerns, and given an additional year to implement the new harmonised CROP system, the Secretariat decided to conduct a comprehensive job-sizing exercise of all positions this year.

15. In March 2001, the SPC organised staff training in the agreed methodology, with other Suva-based CROP agencies also participating. Most of the trained staff were subsequently tapped to serve in job-sizing committees to determine whether current positions are appropriately graded. The job-sizing exercise is still ongoing, and is expected to be complete by the end of this year, with its implementation next year when the new CROP structure comes into effect. We intend to

validate the results of the Committee work beforehand by comparing them to the results of other CROP agencies.

Although the Secretariat is presently not able to accurately cost the on-going job-sizing exercise, it has included some funds in the Year 2002 budget for the combined purpose of implementing the job-sizing exercise and the move to the new salary scale for professional staff.

Performance management system

16. An important feature in the new harmonised CROP system is the implementation of performance management system. This system will be the basis of any decision to provide salary increments to staff, and whether to continue employment.

The SPC currently has a formal staff appraisal system in place for both support and professional staff. An SPC Policy Advisory Team is now reviewing the current SPC performance evaluation system and should be recommending changes to ensure it complies with the required principles of the new CROP harmonised performance management system. We are targeting early next year to put this new performance management system into place at the SPC.

17. At present, the SPC system only allows salary increments based on performance to be provided for support staff. The new SPC performance management system will now address the awarding of increments to professional staff as well.

We envision that the staff performance appraisals conducted next year under the new system will require funding considerations for the Year 2003. The Secretariat will be addressing this at next year's CRGA meeting in the context of the budget consideration. We do not expect this new system to impact on the Year 2002 funding requirements.

Medical insurance

18. The new CROP harmonised position calls for regional organisations to pay for full premium of medical insurance coverage for staff. Currently, the SPC requires its staff to contribute 1.5% of their basic salary to the SPC's medical insurance scheme. The balance of 4.2% for Noumea and 3% for Suva is paid for by the organisation.

Members may wish to note that this is not "total cost" medical coverage but is subject to limits, i.e., 80% in the case of medical claims, etc.

The projection of increased costs for this benefit under the new system is about 112,000 CFP units, of which 60,000 CFP units is for core-funded positions and 52,000 CFP units for non-core-funded positions.

Life insurance

19. Under the new CROP harmonised system, regional organisations must pay for life insurance for its staff. The scheme should be not less than twice the base salary of the staff members, and not more than a maximum of three times the base.

At present, the SPC does not provide life insurance for its staff, although it does have an accident compensation scheme that will be reconsidered when we move to the new system.

The estimated costs for the SPC to pay for life insurance for its staff is about 45,000 CFP units for the core and 65,000 CFP units for non-core.

Provident Fund (Noumea)

20. The agreed CROP harmonised position for superannuation is for the percentage contribution to be 5-8% but no lower than the legal requirement of the organisation's host country. For SPC Suva, the current contribution is 8%, and for SPC Noumea, it is 6%.

The Secretariat can confirm that the percentage contribution in Suva meets local requirements, however, this is not the case for Noumea,. Earlier this year, we obtained information indicating that the local minimum requirement in New Caledonia is approximately 12% of gross salary for the private sector, and about 16% for the public service sector. The internal SPC Working Group on support staff salaries is currently evaluating this new information to compare it to the existing SPC scheme. The group's findings will be presented to the Executive, and to CRGA/Conference as required.

At last year's CRGA meeting, the Secretariat took the position that it should pursue harmonisation of this benefit internally within the organisation, by increasing the contribution share in Noumea to 8%, when the funding permitted. The issue of whether the SPC Noumea's current superannuation scheme matches the local conditions will have to remain on the Secretariat's agenda, although given the SPC's current financial state, a move to higher contribution levels would be prohibitive. We will keep CRGA informed of the outcome of this review in due course.

The increased costs for bringing the SPC Noumea contribution share for Provident Fund to 8% are projected at 134,000 CFP units – of which 71,000 CFP units is for core and 63,000 CFP for non-core.

Housing subsidy

21. The new CROP policy on housing is for organisations to provide rental assistance at a level of 75% of an assessed ceiling, to be adjusted annually to local market rentals. The SPC currently has two housing schemes in place. In Noumea, where the organisation owns and manages housing units, eligible staff are required to pay a percentage of basic salary towards housing. The SPC housing subsidy in Noumea ranges from 55% to 75%, depending on the size of the house and staff salary level. In Suva, staff receive a monthly housing allowance of F\$1170.

To comply with the new policy, the Secretariat will slightly alter its current housing scheme for Suva, by providing housing allowances in a range from F\$1170 to F\$1500, but no more than 75% of the actual rental.

For Noumea, the new arrangement will necessitate moving away from the current progressive contribution system to one where staff pay the same for the same type of housing. This will mean that staff pay 25% of the “economic rent” of the SPC housing units.

The move to the new housing arrangements is estimated to cost about 112,294 CFP units for core-funded positions and 126,000 CFP units for non-core funded positions for both Suva and Noumea.

Long-service leave

22. The agreed position for CROP organisations is to abolish the entitlement of long-service leave for both support and professional staff.

The current SPC rules allow staff who have completed at least ten years of continuous service to receive this entitlement, which is a credit of 40 working days of long-service leave plus one working day for each three-month period of service thereafter. There are 47 current staff who have reached the ten-year service mark, and have been credited the leave.

The Secretariat is planning to implement this change when the new CROP Remuneration system takes effect at the SPC beginning next year. It would mean the entitlement is abolished on 31 December 2001, and all staff contracts beginning next year will no longer include this benefit entitlement.

For staff members who have reached the ten-year mark as at 31 December 2001, they would be paid the cash value of their long-service leave entitlement. Salary provisions have been set aside for this purpose.

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For current staff whose contracts recognise this entitlement but whose length of service at the SPC is less than ten years, their accrued entitlements would be determined as of 31 December 2001. These entitlements would be paid out in cash, if and when the staff member reaches ten years of service.

By abolishing long-service leave, the long-term cost savings for the organisation will be quite substantial.

Home leave (Suva)

23. The new CROP harmonised position is to provide home leave after 18 months of service for all professional expatriate staff. At present, the SPC Noumea staff are granted home leave every 18 months while the SPC Suva staff are only entitled at the end of their three-year contract.

The total estimated cost to implement this new benefit is about 67,000 CFP units, of which 31,000 CFP units is for core and 36,000 CFP units is for non-core.

PART B - THE IMPLEMENTATION STRATEGY

24. **Proposed starting date.** The Secretariat is planning to implement the new CROP Remuneration package with effect from 1 January 2002. As indicated earlier, the SPC and SPREP are the only remaining CROP organisations that have yet to put the new system into effect. The decision taken last year to delay its implementation was to provide sufficient time for the Secretariat to have a thorough look at the cost implications of the new system, and to map out a funding strategy for Members to consider at this November CRGA meeting.
25. **The Costs.** Given the size, location and existing employment conditions of the organisation, the financial implications for the SPC are quite substantial. The total increased cost per year for the new package is summarised again in the table below.

	Core	Non-Core	Total
Total Salary Costs	56,000	54,000	110,000
Total Associated Benefits	319,294	342,000	661,294
Grand Total	375,294	396,000	771,294

Clearly, the affordability of the new remuneration package will be determined by the SPC's current financial state.

26. **The “Catch-up” adjustments.** Currently, there is a tight squeeze on the SPC budget - both its recurrent Core and Non-Core Budgets. This has been further influenced by the recent salary adjustments made earlier this year for Noumea professional staff to bring them back to parity with their Suva colleagues and with staff from other CROP agencies.

Members may recall from the July Circular that following the discovery earlier this year, the SPC moved swiftly to correct a serious anomaly that had crept into the SPC pay system dating back to July 1999. The resulting situation had Noumea professional staff receiving salaries that were 17.4% lower than what they should have been. The problem was caused by inadequate systems in place that resulted in the salaries not being adjusted regularly for exchange fluctuations, as required over the two-year period. The problem was rectified beginning in April

for prospective salary payments, and in September for the related retroactivity issues. The retroactive pay issue partially involved provision of leave credits in lieu of cash payment, which with the support of staff was extremely helpful in dealing with the overall financial implications.

27. The “catch-up” salary adjustments cost an estimated total of 602,000 CFP units for the nine months of the year 2001 – of which about 291,000 CFP units is for the core and about 311,000 CFP units is for non-core – indeed a significant amount. To fund the salary adjustments, the Secretariat had to identify further savings within the existing SPC budgets, which was a challenging task considering the already tight budget. The increased costs also have to be absorbed into future budgets. Consequently, the Secretariat needs to achieve additional savings from both salary and non-salary budget lines in order to ensure funds for these increased costs could be sustained. The next few years will indeed remain challenging ones for the Secretariat in managing budgets.
28. **Budget forecast.** Given current budget policies, and continuing demands on projected resources, the Secretariat’s forecast is that there is little room left in the Core Budget to fund all the increased costs of the full implementation of the new CROP remuneration package at the SPC for the Year 2002.

The only element of the new remuneration package that we are able to bring onto the Year 2002 Core Budget is the projected cost of the job-sizing exercise and the move to the new salary scale for professional staff. The proposed Year 2002 Core Budget, prepared as directed following the “same nominal” approach, includes a total of 72,000 CFP units in the Salary-related Provisions line of both the Administration and Work Programme budgets for this purpose.

In order to implement the other elements of the new system, namely the new benefits package, it will clearly require new and additional core funds – in the amount of 319,000 CFP units yearly.

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The increased cost of implementing the total package in the Non-Core Budget is estimated to be about 396,000 CFP units annually for the new level of salaries and benefits. The impact of these new additional costs on non-core funded operations will vary, according to the programme or project, but it is expected to be significant, with some programmes curtailing activities. Our programme leaders will need to monitor these developments carefully and will need to co-ordinate closely with our donors.

29. **Phased Implementation plan.** It is clear that given the estimated increased costs of the new remuneration package and given the current financial climate of the organisation, the most prudent approach to implementing the new CROP Remuneration package at the SPC is by phases. Although it would be important to no longer delay the implementation of the new CROP system, the Secretariat sees no other choice but to follow a phased implementation plan over a two-year period.

As mentioned earlier, the move to the new professional salary scale is already taken into account in the proposed Year 2002 Core budget. It only leaves the new benefits package to consider.

The Secretariat's plan is to implement the new benefits amounting to about half of the total increased costs beginning the Year 2002, with the others beginning 2003. For the Year 2002, we would look at putting in place the new medical insurance and the new life insurance schemes for all staff, and harmonising the Provident Fund contributions of both Suva and Noumea internally by increasing the Noumea percentage contribution to 8%. We would also harmonise the home leave benefit across the organisation, although we do not expect any increased costs to implement home leave for Suva staff in the year 2002, but rather in the following year. The new housing benefit scheme that will accrue to Suva and Noumea professional staff is scheduled for implementation the following year.

The following tables show the Core and the Non-Core funding requirements of this phased implementation plan:

CORE	Year 2002	Year 2003	Outyears
Salary Costs:	56,000	56,000	56,000
Total Salary Costs	56,000	56,000	56,000
Associated benefits:			
Medical insurance	60,000	60,000	60,000
Life insurance	45,000	45,000	45,000
Provident Fund (Noumea)	71,000	71,000	71,000
Housing subsidy		112,294	112,294
Long service leave **			
Home leave		31,000	31,000
Total associated benefits	176,000	319,294	319,294
Grand Total	232,000	375,294	375,294

** significant savings expected

NON-CORE	Year 2002	Year 2003	Outyears
Salary Costs:	54,000	54,000	54,000
Total Salary Costs	54,000	54,000	54,000
Associated benefits:			
Medical insurance	52,000	52,000	52,000
Life insurance	65,000	65,000	65,000
Provident Fund (Noumea)	63,000	63,000	63,000
Housing subsidy		126,000	126,000
Long service leave **			
Home leave		36,000	36,000
Total associated benefits	180,000	342,000	342,000
Grand Total	234,000	396,000	396,000

30. **Funding options for Members' consideration.** In order to generate the additional funds required to fund the phased implementation plan, the Secretariat is asking Members to consider funding options that would result in either an increase in Members' Assessed Contributions, a draw-down from the SPC General Reserves, or a combination of the two.

The long-term funding solution would necessitate consideration of an increase in Members' assessed contributions within the coming years, but no later than the Year 2003 and sustained onwards. The options that the Secretariat is presenting would simply enable Members' to determine the appropriate timing of the assessed contribution increase, by allowing a draw-down on the SPC's reserves as an interim solution.

The options are as follows:

- **Option 1** – Ask Members to increase their Core contributions beginning Financial Year 2002 to cover the total increased Core funding requirements for the Year 2002. This option will assume that Members will increase their Core contributions again for the Year 2003, and this increased level will be maintained in subsequent years.
- **Option 2** – Tap the SPC's General Reserves to cover the Core funding requirements for the Year 2002, and ask Members to increase their Core contributions beginning 2003 to cover the total Core funding requirements for the Year 2003. This option will assume that Members will maintain their increased contribution levels in subsequent years.
- **Option 3** – Tap the SPC's General Reserves to cover the Core funding requirements for the Year 2002, and ask Members to increase their Core contributions beginning 2003 to cover half of the Core funding requirements for the Year 2003, with the other half coming from the SPC General Reserves. This option will assume that Members will increase their Core contributions for the Year 2004, and will maintain this increased level for subsequent years.

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31. The projected increases for each member country and territory under the different Options are presented in Annexes III (a), III (b) and III (c). Members may note that the proposed increases in individual members assessed contributions are relatively small, and range from 435 CFP units for those in Group IV to 53,884 CFP units for Australia who is the largest donor member, as proposed under Option 1. The ranges for the other options are 790 CFP units to 97,685 CFP units, and 395 CFP units to 48,841 CFP units, for Options II and III, respectively.
32. **SPC's General Reserves.** As presented the Working Paper on Financial Policies, the level of SPC's General Reserves is 722,157 CFP units, as at 31 December 2000, as confirmed by our Auditors. If the policy proposed by the Secretariat is approved, the desired level that the Secretariat would maintain in General Reserves would be approximately 600,000 CFP units.

The Secretariat has also indicated its intention to transfer the amount of 50,000 CFP units advanced to the Provident Fund accounts back to General Reserves. Additionally, the amount of 100,000 – 150,000 CFP units in the Canteen specific fund would also be transferred to the SPC's

General Reserves as the funds are not needed for planned Canteen operations. This should increase the SPC General Reserves to about 922,157 CFP units.

Members may note that the total available SPC General Reserves is at a level that would allow a limited draw-down as an interim funding source to implement the new CROP Remuneration plan under the phased arrangements.

RECOMMENDATIONS

33. The CRGA is invited to:

- a) Endorse the Secretariat's phased plan to implement the new CROP Remuneration system at the SPC, with effect from 1 January 2002.
 - b) Consider the funding options proposed by the Secretariat for the phased implementation, and recommend the most appropriate option to Conference for approval.
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Excerpt from the Report of the November 2000 meeting of CRGA30

THE CROP REMUNERATION WORKING GROUP

The Committee adopted the Working Group report and its recommendations as outlined below (Working Paper 3.2):

Working Group Recommendations

The Working Group made 12 recommendations to facilitate the implementation of the remuneration strategy across all the relevant CROP organisations. The recommendations are reproduced here for ease of reference:

- I. Adoption of the salary ranges set out at Attachment B from 1 January 2001 (with scope for 7 points only within the range if organisations preferred);
- II. Adoption of the Harmonised Conditions of Service set out in Attachment C;
- III. Adoption of the process for establishing CEO benefits set out in Attachment D;
- IV. Adoption of APS base salaries and the CROP Harmonised Conditions package as a basis for the assessment of Total Remuneration. Further consideration to be given to Total Remuneration packaging when APS Total Remuneration costs are known;
- V. Job sizing and market appraisal for a sample of positions to be undertaken internally every year and externally every three years;
- VI. CROP Governing Boards were urged to consider ways that tax treatment of CROP staff salaries could be harmonised;
- VII. Hardship Allowances for any particular location to be set by the appropriate managing body and to apply to all CROP organisation staff posted to that location for any significant period;
- VIII. Organisations should adopt Performance Contracting based on the principles outlined at Attachment F;
- IX. Consideration should be given to the adoption of the Fiji Government scheme where support staff at the top of the range be given a further bonus each year, equivalent to an increment, but only awarded in the case of continued highly satisfactory performance;
- X. Consideration should be given by Governing Boards to the award of increments to CEO's following the establishment of set objectives and the provision of regular reports from the CEO;
- XI. Forum Secretariat support staff should be placed on renewable contracts;
- XII. Current SDR and \$US local currency stabilisation measures arrangements, including payment in local currency to be maintained. Organisations should be given flexibility in their administration.

In addition, the Committee noted the Secretariat's proposed strategy for implementing the new Crop Remuneration Policy, and agreed that the Secretariat should provide a report to Membership by the middle of the year 2001, detailing the financial implications of the implementation, and the steps required for implementation.

The New Salary Base Scale for Professional Staff in Suva

Grade (Position)	Points	SDR per Annum	SDR per Month	FJD per annum	FJD per Month
M (Director General)	9	59,239	4,937	163,572	13,631
	8	56,778	4,732	156,780	13,065
	7	54,308	4,526	149,952	12,496
	6	51,839	4,320	143,124	11,927
	5	49,370	4,114	136,296	11,358
	4	46,901	3,908	129,480	10,790
	3	44,431	3,703	122,688	10,224
	2	41,962	3,497	115,860	9,655
	1	39,493	3,291	109,032	9,086
L (Deputy Director General)	9	50,777	4,231	140,172	11,681
	8	48,674	4,056	134,376	11,198
	7	46,556	3,880	128,544	10,712
	6	44,439	3,703	122,688	10,224
	5	42,321	3,527	116,856	9,738
	4	40,204	3,350	110,988	9,249
	3	38,086	3,174	105,156	8,763
	2	35,969	2,997	99,288	8,274
	1	33,851	2,821	93,468	7,789
K (Director)	9	40,552	3,379	111,948	9,329
	8	39,223	3,269	108,300	9,025
	7	37,901	3,158	104,628	8,719
	6	36,579	3,048	100,980	8,415
	5	35,258	2,938	97,344	8,112
	4	33,936	2,828	93,696	7,808
	3	32,615	2,718	90,048	7,504
	2	31,293	2,608	86,400	7,200
	1	29,971	2,498	82,764	6,897
J (Adviser)	9	35,143	2,929	97,044	8,087
	8	34,010	2,834	93,888	7,824
	7	32,863	2,739	90,744	7,562
	6	31,715	2,643	87,564	7,297
	5	30,567	2,547	84,384	7,032
	4	29,420	2,452	81,240	6,770
	3	28,272	2,356	78,060	6,505
	2	27,125	2,260	74,880	6,240
	1	25,997	2,166	71,760	5,980
I (Professional Officer)	9	28,442	2,370	78,516	6,543
	8	27,436	2,286	75,732	6,311
	7	26,417	2,201	72,924	6,077
	6	25,399	2,117	70,140	5,845
	5	24,381	2,032	67,320	5,610
	4	23,363	1,947	64,500	5,375
	3	22,345	1,862	61,692	5,141
	2	21,327	1,777	58,872	4,906
	1	20,309	1,692	56,052	4,671

Exchange rate FJD/SDR: 0.3622. Note that this rate and therefore the FJD salaries are subject to change.

The New Salary Base Scale for Professional Staff in Noumea

Grade (Position)	Points	SDR per annum	SDR per month	CFP per annum	CFP per Month
M (Director General)	9	78,956	6,580	13,146,048	1,095,504
	8	75,886	6,324	12,634,596	1,052,883
	7	72,807	6,067	12,121,140	1,010,095
	6	69,727	5,811	11,609,676	967,473
	5	66,648	5,554	11,096,220	924,685
	4	63,569	5,297	10,582,776	881,898
	3	60,489	5,041	10,071,312	839,276
	2	57,410	4,784	9,557,856	796,488
	1	54,330	4,528	9,046,404	753,867
L (Deputy Director General)	9	68,402	5,700	11,387,916	948,993
	8	65,780	5,482	10,952,376	912,698
	7	63,139	5,262	10,512,840	876,070
	6	60,498	5,042	10,073,316	839,443
	5	57,858	4,822	9,633,780	802,815
	4	55,217	4,601	9,192,240	766,020
	3	52,576	4,381	8,752,716	729,393
	2	49,935	4,161	8,313,180	692,765
	1	47,294	3,941	7,873,644	656,137
K (Director)	9	55,651	4,638	9,266,172	772,181
	8	53,993	4,499	8,988,468	749,039
	7	52,345	4,362	8,714,748	726,229
	6	50,697	4,225	8,441,040	703,420
	5	49,049	4,087	8,165,340	680,445
	4	47,400	3,950	7,891,632	657,636
	3	45,752	3,813	7,617,912	634,826
	2	44,104	3,675	7,342,212	611,851
	1	42,456	3,538	7,068,504	589,042
J (Adviser)	9	48,906	4,076	8,143,356	678,613
	8	47,493	3,958	7,907,604	658,967
	7	46,062	3,839	7,669,860	639,155
	6	44,630	3,719	7,430,112	619,176
	5	43,199	3,600	7,192,368	599,364
	4	41,768	3,481	6,954,624	579,552
	3	40,337	3,361	6,714,876	559,573
	2	38,906	3,242	6,477,132	539,761
	1	37,474	3,123	6,239,376	519,948
I (Professional Officer)	9	40,549	3,379	6,750,840	562,570
	8	39,293	3,274	6,541,056	545,088
	7	38,024	3,169	6,331,284	527,607
	6	36,754	3,063	6,119,508	509,959
	5	35,484	2,957	5,907,732	492,311
	4	34,215	2,851	5,695,956	474,663
	3	32,945	2,745	5,484,180	457,015
	2	31,676	2,640	5,274,408	439,534
	1	30,406	2,534	5,062,632	421,886

Exchange rate CFP/SDR: 166.49. Note that this rate and therefore the CFP salaries are subject to change.

Projected Increase of Members' Assessed Contribution – Option 1

OPTION 1

CORE BUDGET - YEAR 2002

MEMBERS ASSESSED CONTRIBUTIONS

Members	2002 Budget Same Nominal Percentage Share	2002 Budget Same Nominal	2002 New Benefits	Total Proposed Year 2002	2003 New Benefits	Total Proposed Year 2003	Total Proposed Year 2004
Total		7,646,933	176,000	7,822,933	319,294	7,966,227	7,966,227
Australia	30.5940	2,339,507	53,844	2,393,351	97,685	2,437,192	2,437,192
France	18.1130	1,385,088	31,879	1,416,967	57,834	1,442,922	1,442,922
New Zealand	17.9250	1,370,712	31,548	1,402,260	57,233	1,427,945	1,427,945
United States of America	17.9680	1,374,000	31,624	1,405,624	57,371	1,431,371	1,431,371
United Kingdom	6.0000	458,816	10,560	469,376	19,158	477,974	477,974
Total Donor members	90.6000	6,928,123	159,455	7,087,578	289,281	7,217,404	7,217,404
American Samoa	0.3547	27,124	624	27,748	1,133	28,257	28,257
Cook Islands	0.2473	18,911	435	19,346	790	19,701	19,701
Federated States of Micronesia	0.3547	27,124	624	27,748	1,133	28,257	28,257
Fiji	0.6816	52,121	1,200	53,321	2,176	54,297	54,297
French Polynesia	0.6816	52,121	1,200	53,321	2,176	54,297	54,297
Guam	0.6816	52,121	1,200	53,321	2,176	54,297	54,297
Kiribati	0.3033	23,193	534	23,727	968	24,161	24,161
Marshall Islands	0.3033	23,193	534	23,727	968	24,161	24,161
Nauru	0.3033	23,193	534	23,727	968	24,161	24,161
New Caledonia	0.6816	52,121	1,200	53,321	2,176	54,297	54,297
Niue	0.2473	18,911	435	19,346	790	19,701	19,701
Northern Mariana Islands	0.3547	27,124	624	27,748	1,133	28,257	28,257
Palau	0.3033	23,193	534	23,727	968	24,161	24,161
Papua New Guinea	0.6816	52,121	1,200	53,321	2,176	54,297	54,297
Pitcairn Island	0.2473	18,911	435	19,346	790	19,701	19,701
Samoa	0.3033	23,193	534	23,727	968	24,161	24,161
Solomon Islands	0.3547	27,124	624	27,748	1,133	28,257	28,257
Tokelau	0.2473	18,911	435	19,346	790	19,701	19,701
Tonga	0.3033	23,193	534	23,727	968	24,161	24,161
Tuvalu	0.2473	18,911	435	19,346	790	19,701	19,701
Vanuatu	0.3033	23,193	534	23,727	968	24,161	24,161
Wallis and Futuna	0.2473	18,911	435	19,346	790	19,701	19,701
	8.4337						
Special Host Grant :							
Fiji	0.39315	30,064	692	30,756	1,255	31,319	31,319
New Caledonia	0.57315	43,828	1,009	44,837	1,830	45,658	45,658
	0.9663						
Total Island members	9.4000	718,810	16,545	735,355	30,013	748,823	748,823
TOTALS	100.0000	7,646,933	176,000	7,822,933	319,294	7,966,227	7,966,227
Add voluntary contributions - New Caledonia		6,130		6,130		6,130	6,130

Projected Increase of Members Assessed Contribution – Option 2

OPTION 2
CORE BUDGET – YEAR 2002
MEMBERS ASSESSED CONTRIBUTIONS

	2002 Budget Same Nominal Percentage Share	2002 Budget Same Nominal	2003 New Benefits	Total Proposed Year 2003	Total Proposed Year 2004
Total		7,646,933	319,294	7,966,227	7,966,227
Australia	30.5940	2,339,507	97,685	2,437,192	2,437,192
France	18.1130	1,385,088	57,834	1,442,922	1,442,922
New Zealand	17.9250	1,370,712	57,233	1,427,945	1,427,945
United States of America	17.9680	1,374,000	57,371	1,431,371	1,431,371
United Kingdom	6.0000	458,816	19,158	477,974	477,974
Total Donor members	90.6000	6,928,123	289,281	7,217,404	7,217,404
American Samoa	0.3547	27,124	1,133	28,257	28,257
Cook Islands	0.2473	18,911	790	19,701	19,701
Federated States of Micronesia	0.3547	27,124	1,133	28,257	28,257
Fiji	0.6816	52,121	2,176	54,297	54,297
French Polynesia	0.6816	52,121	2,176	54,297	54,297
Guam	0.6816	52,121	2,176	54,297	54,297
Kiribati	0.3033	23,193	968	24,161	24,161
Marshall Islands	0.3033	23,193	968	24,161	24,161
Nauru	0.3033	23,193	968	24,161	24,161
New Caledonia	0.6816	52,121	2,176	54,297	54,297
Niue	0.2473	18,911	790	19,701	19,701
Northern Mariana Islands	0.3547	27,124	1,133	28,257	28,257
Palau	0.3033	23,193	968	24,161	24,161
Papua New Guinea	0.6816	52,121	2,176	54,297	54,297
Pitcairn Island	0.2473	18,911	790	19,701	19,701
Samoa	0.3033	23,193	968	24,161	24,161
Solomon Islands	0.3547	27,124	1,133	28,257	28,257
Tokelau	0.2473	18,911	790	19,701	19,701
Tonga	0.3033	23,193	968	24,161	24,161
Tuvalu	0.2473	18,911	790	19,701	19,701
Vanuatu	0.3033	23,193	968	24,161	24,161
Wallis and Futuna	<u>0.2473</u>	18,911	790	19,701	19,701
	8.4337				
Special Host Grant :					
Fiji	0.39315	30,064	1,255	31,319	31,319
New Caledonia	<u>0.57315</u>	43,828	1,830	45,658	45,658
	0.9663				
Total Island members	9.4000	718,810	30,013	748,823	748,823
TOTALS	100.0000	7,646,933	319,294	7,966,227	7,966,227
Add voluntary contributions - New Caledonia		<u>6,130</u>		<u>6,130</u>	<u>6,130</u>

Projected Increase of Members' Assessed Contribution – Option 3

OPTION 3
CORE BUDGET – YEAR 2002
MEMBERS ASSESSED CONTRIBUTIONS

	2002 Budget Same Nominal Percentage Share	2002 Budget Same Nominal	2003 New Benefits	Total Proposed Year 2003	2004 New Benefits	Total Proposed Year 2004
Total		7,646,933	159,647	7,806,580	319,294	7,966,227
Australia	30.5940	2,339,507	48,841	2,388,348	97,685	2,437,192
France	18.1130	1,385,088	28,917	1,414,005	57,834	1,442,922
New Zealand	17.9250	1,370,712	28,617	1,399,329	57,233	1,427,945
United States of America	17.9680	1,374,000	28,685	1,402,685	57,371	1,431,371
United Kingdom	6.0000	458,816	9,579	468,395	19,158	477,974
Total Donor members	90.6000	6,928,123	144,639	7,072,762	289,281	7,217,404
American Samoa	0.3547	27,124	566	27,690	1,133	28,257
Cook Islands	0.2473	18,911	395	19,306	790	19,701
Federated States of Micronesia	0.3547	27,124	566	27,690	1,133	28,257
Fiji	0.6816	52,121	1,088	53,209	2,176	54,297
French Polynesia	0.6816	52,121	1,088	53,209	2,176	54,297
Guam	0.6816	52,121	1,088	53,209	2,176	54,297
Kiribati	0.3033	23,193	484	23,677	968	24,161
Marshall Islands	0.3033	23,193	484	23,677	968	24,161
Nauru	0.3033	23,193	484	23,677	968	24,161
New Caledonia	0.6816	52,121	1,088	53,209	2,176	54,297
Niue	0.2473	18,911	395	19,306	790	19,701
Northern Mariana Islands	0.3547	27,124	566	27,690	1,133	28,257
Palau	0.3033	23,193	484	23,677	968	24,161
Papua New Guinea	0.6816	52,121	1,088	53,209	2,176	54,297
Pitcairn Island	0.2473	18,911	395	19,306	790	19,701
Samoa	0.3033	23,193	484	23,677	968	24,161
Solomon Islands	0.3547	27,124	566	27,690	1,133	28,257
Tokelau	0.2473	18,911	395	19,306	790	19,701
Tonga	0.3033	23,193	484	23,677	968	24,161
Tuvalu	0.2473	18,911	395	19,306	790	19,701
Vanuatu	0.3033	23,193	484	23,677	968	24,161
Wallis and Futuna	0.2473	18,911	395	19,306	790	19,701
	8.4337					
Special Host Grant :						
Fiji	0.39315	30,064	628	30,692	1,255	31,319
New Caledonia	0.57315	43,828	915	44,743	1,830	45,658
	0.9663					
Total Island members	9.4000	718,810	15,005	733,815	30,013	748,823
TOTALS	100.0000	7,646,933	159,644	7,806,577	319,294	7,966,227
Add voluntary contributions - New Caledonia		6,130		6,130	6,130	6,130