

SECRETARIAT OF THE PACIFIC COMMUNITY

**THIRTY-NINTH MEETING OF THE  
COMMITTEE OF REPRESENTATIVES OF GOVERNMENTS AND ADMINISTRATIONS**  
(Nuku'alofa, Tonga, 6–9 October 2009)

*REGIONAL POLICY AGENDA*

**AGENDA ITEM 6.1 – ORGANISATIONAL REFORM AND IMPLEMENTATION OF THE  
REGIONAL INSTITUTIONAL FRAMEWORK (RIF)**

(Paper presented by the Secretariat)

**Summary**

1. The Regional Institutional Framework (RIF) process is now moving from the analytical phase to the implementation phase with effect from 1 January 2010.
2. The governing bodies of the South Pacific Board for Educational Assessment (SPBEA), Pacific Islands Applied Geoscience Commission (SOPAC), Secretariat of the Pacific Regional Environment Programme (SPREP) and SPC have agreed to the proposed new institutional arrangements and Forum Leaders have welcomed the decisions of the respective governing bodies to this effect.
3. As a result of these decisions, from 1 January 2010:
  - a. SPC will assume the role of lead coordinating agency for the regional energy sector. SOPAC's current energy programme will become part of a new Economic Development Division of SPC together with transport, infrastructure and communication;
  - b. SOPAC's core work programme will become the SOPAC Science and Technology Division of SPC; and
  - c. SPBEA will be merged with SPC, initially as a stand-alone programme in 2010.
4. The arrangements for all these reforms are on track for timely implementation. However, additional resources will be required to ensure the full benefits of the reforms are realised by Pacific Island communities, particularly in the energy, transport and communication sectors.

**Recommendations**

5. CRGA is requested to:
  - i. note that arrangements for the Regional Institutional Framework (RIF) reforms are on track for implementation on 1 January 2010;

- ii. endorse the proposal to continue the member assessed contribution for all three agencies at current levels for 2010, with a view to reviewing payment modalities in 2010; and
  - iii. further note that additional resources will be required by SPC to ensure that Pacific Island countries and territories receive the expected benefits of the reforms in the energy, transport and communication sectors from 2010.
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## **IMPLEMENTATION OF RIF DECISIONS**

### **Purpose**

1. This paper presents updates to CRGA 39 and the 6<sup>th</sup> Conference of the Pacific Community on progress achieved in implementing the decisions on RIF reform.

### **Background**

2. At their special joint meeting (7– 8 July 2009) and subsequent separate meetings (9 and 10 July 2009), the governing bodies of SOPAC, SPC and SPREP agreed on the rationalisation of SOPAC programmes between SPC and SPREP (see Annex 1-A and Annex 1 - B for the full text of the decision of CRGA and the Joint Session respectively).
3. The governing bodies of SPBEA and SPC agreed on implementation arrangements for the merger of SPBEA with SPC, effective from 1 January 2010.
4. SPC's governing body acknowledged the proposed transfer of the transport, infrastructure and communication functions of the Pacific Islands Forum Secretariat (PIFS) to SPC, effective from 1 January 2010, but noted that the proposed transfer will not be accompanied by financial resources.
5. In August 2009, the 40th Pacific Islands Forum Leaders Meeting convened in Cairns, Australia. Paragraphs 39 to 41 of the Cairns Forum Communiqué welcomed the decisions taken by the respective governing bodies on the new institutional arrangements.

### **RIF implementation and SPC organisational reform**

6. The implementation plans for the various decisions outlined above are presented in the following sections against the backdrop of a broader organisational reform agenda for the Pacific Community.
7. 2010 and 2011 will be decisive years for the future of SPC. These two years present us with a rare window of opportunity to transform SPC from its current sector-based divisional structure into 'an organisation for the future' with its structure determined by the benefits it can bring to its members in a way that is sustainable and in keeping with the evolving global development environment.
8. Since January of this year, SPC has been implementing progressive organisational reforms, focusing initially on (1) reinforcing its corporate services to ensure proper support for its decentralisation policy, and (2) establishing Public Health as a separate division. From a programming perspective, SPC has four technical divisions in 2009 – Land Resources, Marine Resources, Public Health and Social Resources. The divisions are supported by decentralised corporate services; programme support services; and a strategic engagement, policy and planning facility.

### **Reform agenda for 2010–2011**

9. The 2010–2011 period will see a two-phase reform process beginning in 2010 with the implementation of the RIF decisions (phase 1), followed in 2011 by changes to SPC's structure to position it as an organisation for the future (phase 2).
10. In 2010, the number of technical divisions in SPC will increase from four to six (Annex 2). Staff numbers will increase from just under 400 to almost 540. There will be five SPC offices beyond headquarters, with regional offices in Fiji, Federated States of Micronesia and Papua New Guinea and country offices in Solomon Islands and Vanuatu. Two other offices are likely to be negotiated during the year. SPC's offices in Fiji will be in four different Suva locations, i.e. the current SPC offices in Nabua and Narere plus the current premises of SOPAC in Nabua and SPBEA on McGregor Road in downtown Suva.
11. SPC's work in 2010 will be guided by two imperatives – the first at programmatic level and the second at a more strategic level.
12. At the programmatic level, the most important challenge in 2010 is to ensure effective service delivery to members under the new RIF arrangements.
13. At a strategic level, the most important undertaking is to determine the future of SPC as the region's largest scientific, technical and research development organisation, particularly in relation to its core functions, modality of operations and best structure for delivering added value and increased benefits to members. Throughout this change process, it will be important to ensure retention of SPC's corporate strengths.
14. From the perspective of SPC's organisational structure, 2010 will be 'a year of transition' as a result of the RIF reforms. The outcome of the analytical process to determine SPC's future, taking into account the organisation's current role and the expansion resulting from the RIF decisions, will provide the foundation for SPC's role in the future and for the structure that can best deliver on that role.
15. In 2011, the focus will be on streamlining and consolidating SPC as an organisation for the future that is strategically positioned to add value to members' desired development outcomes. The key themes that are likely to underpin SPC's role, and ultimately its future structure, are (i) sustainable natural resources management and development; (ii) human and social development; and (iii) economic development. Supporting these three major themes will be science and technology and strategic engagement, research, policy and planning.

### **Progress in implementing RIF decisions – 2010 Phase 1**

16. As highlighted above, implementing the RIF decisions in paragraphs 2 to 5 above will increase the number of technical divisions in SPC from the current four to six (Annex 2).
17. Two of the divisions are new – the SOPAC Science and Technology Division (SSTD) and the Economic Development Division (EDD). These two new divisions cater for the transfer of SOPAC programmes to SPC and for the transfer of some functions from PIFS to SPC.

## **Individual implementation plans**

### **(i) Economic Development Division**

18. This new division, to be based in Suva, Fiji, pulls together the four key drivers of economic growth – transport, energy, infrastructure and communication. These drivers constitute the four pillars of the division. The division will be headed by a Director supported from SPC's core resources. The transport and energy pillars, being larger programmes, will each be headed by a Deputy Director within the division. These two positions will also be members of the extended SPC executive, which will be important in lifting the profile of these critical sectors that have featured in Forum communiqués over the past six years at least. The communication/ICT pillar will be headed by a programme coordinator. It will be a smaller programme with a focus on implementing various aspects of the regional digital strategy. For 2010, the infrastructure pillar will not have dedicated technical capacity but will be overseen by the division's Director in the first instance. Annex 3 of this paper shows the proposed organisational chart for EDD.
19. EDD will be operational from 1 January 2010. Below are brief details on each of its four pillars.
  - (a) ***Regional Energy Sector Programme – EDD energy pillar***
20. The Regional Energy Sector Programme (energy pillar) of the new division will be led by the Deputy Director (Energy). The Deputy Director position will be supported from SPC's core resources, demonstrating our commitment to invest in the sustained leadership, planning and coordination of this important sector at the regional level. Initially, SOPAC's energy programme will form the bulk of the SPC programme and will shift from its current location at SOPAC to SPC's Nabua premises in January 2010. The petroleum advisory function, which has shifted from PIFS to SOPAC, will also move with the rest of the energy functions to SPC.
21. The shape and direction of the regional energy programme was directed by the region's Energy Ministers in their Ministerial Declaration and Communiqué of April 2009 as follows: *'(a) that regional and donor coordination delivery of energy services to Pacific island countries be strengthened and delivered through one energy agency and through one programme contributing to the development of a stronger energy sector and improved service to member countries; and (b) in this context it was noted that there was a need to ensure that energy policy and climate change policy remained separate where environmental aspects are managed by SPREP and energy sector activities by SPC so as to ensure that the socio-economic aspects of energy were adequately addressed'*.
22. From January 2010, SPC will assume the role of lead coordination agency in the regional energy sector, while recognising that there are many important stakeholders involved in aspects of the actual delivery of energy services to members, notably SPREP, the Pacific Power Association (PPA), the University of the South Pacific, the International Union for Conservation of Nature and others.
23. The key role for the lead coordination agency is described in the Ministers' communiqué as follows:

The key role of the lead coordination agency for the regional energy sector is that of providing leadership for, and improving the profile of energy as a key priority sector in the Pacific islands region. In this regard the lead coordination agency will have the following responsibilities:

- Establish a dedicated long-term senior position in the organisation with funding that is not dependent on project funding to effectively facilitate regional energy sector coordination to raise and maintain the profile of energy at all levels.
- Overall responsibility for analysis of trends in the energy sector, issues and challenges, and identify opportunities for strategic engagement by the region at national, regional and the international levels.
- Proactively undertake social, economic and policy research and analysis on the energy sector (petroleum, transportation, renewable energy, energy efficiency and energy conservation, energy infrastructure, power) and provide policy responses and strategic solutions to members and key stakeholders, to inform their own decision-making processes.
- Coordinate the development of a joint, regional energy sector work-plan with an appropriate M&E and prioritised framework that involves all stakeholders to effectively implement the regional energy policy and plan.
- Develop and sustain a comprehensive, coordinated and shared approach to data collection, analysis and dissemination in the energy sector.
- Develop and sustain a common energy data and information system.
- Focal point for development partner interaction and coordinate resource mobilisation and allocation for the delivery of regional energy services.
- Establish and facilitate mechanisms that will involve key energy stakeholders in strategic analysis of emerging challenges and opportunities, as well as the oversight, decision-making and/or management of issues in or affecting the energy sector.

24. An important initiative agreed to by the major stakeholders in the regional energy sector programme is the need for co-location of expertise in one office, namely SPC's premises in Nabua. If agreed and implemented, this will mean that PPA, SPREP's renewable energy project, and the SPC/SOPAC energy programme will operate from the same office while retaining their specific agency status. This initiative will give credence to the 'many agencies, one team' approach that underpins this new partnership in the region's energy sector.
25. The key to being able to deliver on the expectations of Energy Ministers and Forum Leaders lies in the ability of the regional programme to support the five main areas within the sector, i.e.:
  - a. Energy policy, planning, legislation and regulation
  - b. Petroleum (procurement, transport, storage and pricing mechanisms)
  - c. Power generation/electric utilities (urban and rural)
  - d. Renewable energy production
  - e. Energy efficiency and conservation

26. While accepting that much of the actual work needs to occur at national level, it is crucial that the lead coordination agency has a dedicated pool of senior experts to cover each of these areas. These experts would lead research and analysis and provide direct advice to members. There is the potential that with the 'one team approach' advocated in this new partnership, the lead agency may not need to invest in all five areas. However, it is crucial in our view that we invest upfront in bringing together senior experts in energy policy and planning; energy efficiency; petroleum advisory services; renewable energy; energy economics; energy regulation; and institutional aspects of the energy sector. This capacity will make up a core-funded pool that will be supplemented by resources from other partners in the sector.
27. Annex 4 presents the context and structure of the new regional energy programme in more detail.

**(b) Regional Transport Sector Programme – EDD transport pillar**

28. The regional transport sector programme (EDD transport pillar) will be led by a Deputy Director (Transport). The programme is based on what is currently SPC's Regional Maritime Programme (RMP).
29. The transport advisory services previously located in PIFS will become part of this programme from January 2010. However, there are no financial resources being transferred with this function. SPC is therefore exploring the best way to sustain the services.
30. A major focus for the regional transport sector programme from 2010 onwards will be increased assistance and advice to members on:
  - i. domestic shipping – members have seen this area as their responsibility rather than that of RMP, but given increasing concerns about the seaworthiness of much of the region's domestic ships, the regional transport sector programme will actively seek to assist members in conducting or facilitating safety audits and working with members and partners to prepare proposals for longer-term solutions to domestic shipping in the region;
  - ii. sub-regional shipping – including exploring new routes; commodity movements; and establishing regional or subregional shipping commissions similar in nature to the Micronesian Shipping Commission;
  - iii. provision of 'International Maritime Organization-compliant' generic model legislation and regulation that can be adapted by members;
  - iv. increased emphasis on maritime safety and security, capacity building and supplementation, data synthesis, research and information services, technical requirements, port operations and management, and shipping company management;
  - v. research and advisory services to members on aviation, complementing the work of PASO (Pacific Aviation Safety Office) on aviation security; and
  - vi. research and information on land transport, focusing on providing information on good land transport practices from other countries/regions that may be relevant to members.

**(c) Regional Communication / ICT Programme – EDD communication pillar**

31. The Regional Communication/ICT Programme will be headed by a programme coordinator. Its primary role will be to coordinate implementation of the five key objectives of the Pacific Plan digital strategy with a focus on provision of ICT in all areas of the region (ICT outreach to members).

32. The programme will operate from SPC's Nabua premises from January 2010.

**(d) Regional Infrastructure Programme – EDD infrastructure pillar**

33. This programme will be held in abeyance during 2010, pending further analysis and taking into account other mechanisms being established to address infrastructure needs, such as the Pacific Regional Infrastructure Facility (PRIF). The EDD Director will oversee any analysis of the potential role of this programme during 2010.

**(ii) SOPAC Science and Technology Division**

34. Part C of the consultant's report (Annex 5) presented to the joint meeting of the governing bodies of SOPAC, SPC and SPREP in July 2009 comprised the implementation plan for the transfer of SOPAC's core work programme to a division of SPC from 1 January 2010.

35. SPC and SOPAC have been collaborating closely to effect the transfer and have established three joint teams to work on synchronising HR, finance and IT issues.

36. Good progress has been made towards meeting the targets in the table below, which comes from the implementation plan in Annex 5.

**Milestone Table**

Milestones		Date	Progress / Comments
1	Decision on <i>re-branded organisation</i> or <i>SOPAC as a division of SPC</i>	7–10 July 2009	Joint meeting of 3 governing bodies agreed on the SOPAC core work programme becoming a division of SPC – <b>Achieved</b>
2	Endorsement by PIF Leaders of proposed, new institutional arrangements and implementation plans	5–8 August 2009	Forum Leaders welcomed the decision by the three governing bodies and expect implementation by 1 January 2010 – <b>Achieved</b>
3	Final approval SPC	7–13 October 2009	CRGA/Conference to formalise decision, note implementation arrangements & timeframe – <b>On track</b>
4	Final approval SOPAC	22–30 October 2009	SOPAC Council to formalise decision, consider implementation arrangements and timeframe – <b>On track</b>
5	Earliest commencement date	1 January 2010	SOPAC Science and Technology Division will be established as at 1 January 2010. During 2010 the new division will maintain its: <ul style="list-style-type: none"> <li>• work programme and budget formats and practices</li> <li>• financial and corporate systems and ICT backbone</li> <li>• current premises</li> </ul> <b>On track</b>
6	Appointment of new Director	1 May 2010	The SOPAC Council meeting in July approved recruitment of the Director of the new SOPAC Science & Technology Division of SPC under SPC's recruitment process. The SPC DG will chair the selection panel which will involve at least 2 – 3 members of SOPAC. New Director for the division in position by February 2010 - <b>On track</b>



7	SOPAC operations	Until October 2010	Use current SOPAC processes, policies and procedures – <b>On track</b>
8	Work to harmonise corporate services / financial services / ICT backbone and systems	August 2009 – June 2010	Work has already commenced, independent of the RIF process, as part of the initiative to harmonise PIFS-SPC-SOPAC corporate services. 3 joint teams have been established – HR, finance and IT – to harmonise these functions - <b>Achieved / on track</b>
9	Strategic plan for new division	August 2009 – August 2010	To be presented for approval at the October 2010 meetings of SOPAC Science & technology division and CRGA - <b>On track</b>
10	SPC annual work plan and budget format	August 2010	The SOPAC budget for its 2010 work programme is included in the 2010 SPC Budget - <b>Exceeded</b>
11	Legal status of SOPAC	October 2010	The October 2009 meeting of the SOPAC Council will decide on one of the two options available: dissolution or suspension. If the decision is dissolution, then next year's divisional meeting of the Science & Technology Division will convene as Council when it deals with this particular agenda - <b>On track for earlier achievement</b>
12	SOPAC Division using all SPC systems	1 January 2011	All systems fully harmonised by December 2010 - <b>On track</b>
13	Transfer of staff contracts	1 January 2010	All staff contracts will be issued under SPC effective 1 January 2010, with details being addressed by the joint teams. Briefing with host government has already commenced in relation to appointments from 1 January 2010 onwards - <b>On track</b>

37. On the subject of member contributions to SOPAC, these contributions will continue at the current level, with the whole amount to be applied to SOPAC work programmes. The mode of invoicing members for the contributions is being discussed. Invoicing for current contributions, including arrears from previous years, and advance invoicing for 2010 contributions in 2009 will be done in accordance with current SOPAC practices.
38. Implementation of the decision that the SOPAC core work programme should become a division of SPC by 1 January 2010 is on track. Operational details relating to the rationalisation are being dealt with between the two organisations. Annex 6 shows a graph of the organisational structure of the SOPAC Science and Technology Division of SPC.

**(iii) Merger between SPBEA and SPC**

39. The CEOs of SPBEA and SPC jointly commissioned a consultancy to assist in developing the implementation plan for the merger of SPBEA with SPC. The consultants recommended that SPC's Social Resources Division be renamed the Education, Training and Human Development Division (ETHDD) as follows:

*“SPBEA be placed in a new division to be named the Education, Training and Human Development Division (ETHDD) along with HDP in its current form or with HDP, CETC and PATVET as separate units and RRRT could be added as an additional unit”.*

40. The recommendation took into account the increased focus on education and training that would result from the merger and was accepted in principle by both governing bodies.
41. However, at its ninth special issues meeting held at the Tanoa Hotel in Nadi on 8 May 2009, the SPBEA Board approved a two-stage approach to the merger with SPC as follows:
- i. Stage 1: January – June 2010, SPBEA merges with SPC as a ‘stand alone’ programme under the general jurisdiction of the Suva-based Deputy Director-General; and
  - ii. Stage 2: July 2010 onwards, SPBEA formally becomes part of the new division of education, training and human development.
42. Given the transitions taking place in phase 1 of the reform process in 2010 (paragraphs 9–15), the Secretariat supports a two-stage implementation of the merger of SPBEA with SPC as approved by the SPBEA Board, but with Stage 1 covering the whole of 2010 and Stage 2 commencing in January 2011 when SPC's revised organisational structure is implemented.
43. The recommendation for a new division of education, training and human development will be held in abeyance during 2010 as we look at broader structural reform involving the whole organisation.
44. On the subject of member contributions to SPBEA, the current levels of member contributions to the SPBEA work programme will continue, with all funds received from members going to support SPBEA work. The mode of invoicing members for these contributions is being discussed. Invoicing for current contributions including arrears for previous years, and advance invoicing for 2010 contributions during 2009 will be done in accordance with current SPBEA practices.
45. Plans for implementation of the merger with effect from 1 January 2010 are on track. Three teams have been working on HR, finance and ICT issues. Operational details relating to the merger are being dealt with between the two agencies. Annex 2 shows the organisational chart for 2010 with the stand-alone SPBEA programme under the Suva-based Deputy Director-General. Annex 7 is a summary checklist on the implementation milestones for the SPBEA / SPC merger.

### **Decision points for CRGA and Conference**

46. The following points require consideration and endorsement by CRGA:
- a. *Member contributions* – Existing membership contributions to SPBEA, SOPAC and SPC will continue during 2010 and beyond. The total amount of member contributions in the 2010 budget for all three agencies will be the sum total of the three individual member contributions based on 2009 levels. The current invoicing and payment methods used by each agency will be retained in 2010, but will be reviewed during 2010 for the 2011 budget process.
  - b. *Membership / service delivery issues* – Members of SPC that are not members of SPBEA or SOPAC but wish to benefit from the services provided by these two organisations following the rationalisation in 2010 may access their services by (i) paying a fee for service; or (ii) paying the equivalent of the current annual membership contribution charged by each agency to its current membership. This payment would be incorporated in the core contribution to each programme.

### **Conclusion**

47. Arrangements are on track for implementing the RIF reforms from 1 January 2010 as follows:
- a. SPC will establish a new division of economic development comprising the key drivers of economic growth – energy, transport, communication and infrastructure;
  - b. the SOPAC core work programme will become the SOPAC Science and Technology Division of SPC;
  - c. SPC will assume the lead coordination role for the regional energy sector, the regional ICT/communication sector and the regional transport sector;
  - d. SPBEA will merge with SPC.
48. Membership contributions for all three agencies involved in the rationalisation will remain at the 2009 level for 2010, with each agency's existing invoicing and payment methods being used to collect the contributions. Possible changes to the way contributions are paid will be assessed in 2010.
49. Members of SPC that are not members of SPBEA or SOPAC may access services from these two agencies during 2010 only by paying a fee for service or by paying the equivalent of an annual membership fee based on each agencies' current membership contributions.
50. Additional resources will be required to enhance benefits to members from the regional energy, transport and communication sector programmes.

SPC/CRGA Special Session

SUMMARY OF DECISIONS  
ORIGINAL: ENGLISH

**SECRETARIAT OF THE PACIFIC COMMUNITY**  
**SPECIAL SESSION OF THE COMMITTEE OF REPRESENTATIVES OF**  
**GOVERNMENTS AND ADMINISTRATIONS**  
(Novotel Hotel, Lami, Fiji Islands, 9 July 2009)

**SUMMARY OF DECISIONS**

**AGENDA ITEM 2.1: SOPAC–SPC–SPREP RATIONALISATION - THE NEXT STEPS**

The special session of CRGA:

- i. endorsed and ratified the outcome of the joint meeting of the governing councils of SOPAC, SPC and SPREP on the rationalisation of SOPAC functions into SPC and SPREP and noted that detailed implementation plans will be presented for consideration by the 39<sup>th</sup> meeting of CRGA and the 6<sup>th</sup> Conference of the Pacific Community in Tonga in October 2009.

**AGENDA ITEM 2.2: SPBEA-SPC MERGER - PROGRESS ON IMPLEMENTATION PLAN**

The special session of CRGA:

- i. noted the progress achieved by the two secretariats in implementing the merger of SPBEA with SPC;
- ii. acknowledged with appreciation the work of the Chairperson of the SPBEA Board and its members, and the staff of SPBEA and SPC on the positive working relationship that has enabled them to progress this initiative;
- iii. endorsed the establishment of the Guiding Coalition Group and its role in overseeing the change process, and development and monitoring of the implementation plan;
- iv. further noted that the final implementation plans and details of the resulting organisational structure will be presented to the CRGA 39 meeting and the 6<sup>th</sup> Conference of the Pacific Community for deliberation in October 2009; and
- v. agreed that SPBEA's core functions in educational assessment must be recognized and maintained in the merger process.

**AGENDA ITEM 2.3: PIFS-SPC RATIONALISATION - PROGRESS ON IMPLEMENTATION PLAN**

The Special Session of CRGA:

- i. noted and supported the on-going consultation between SPC and PIFS on the transfer to SPC of transport, infrastructure and communication functions currently vested in PIFS;
- ii. noted that under the reform of the Regional Institutional Framework, SPC is also consulting with SOPAC, SPREP and PPA on locating the Energy Programme within SPC as it further develops an implementation plan;
- iii. further noted that the Secretariat will present a progress report on the rationalisation of transport, infrastructure, energy and communication functions, including the objectives, expected benefits and resources, to CRGA 39 and the 6<sup>th</sup> Conference of the Pacific Community in Tonga in October 2009; and
- iv. encouraged the donor community and members to provide adequate resources to the high-priority areas of transport, infrastructure, energy and communication.

**AGENDA ITEM 3: LONGER-TERM SUSTAINABLE FINANCING STRATEGY FOR SPC**

The Special Session of CRGA:

- i. acknowledged the paper that was presented and noted the Secretariat's intention to present a progress update on this initiative to CRGA 39 and the 6<sup>th</sup> conference of the Pacific Community in October 2009.

**AGENDA ITEM 4: PRESENTATION OF THE PUBLICATION - SPC AND THE PACIFIC PLAN**

The Special Session of CRGA:

- i. received the publication *SPC and the Pacific Plan* and commended the Secretariat on the quality, relevance and timeliness of the document.
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SPC-SOPAC-SPREP/RIF (01)

Summary of decisions  
ORIGINAL: ENGLISH

**JOINT MEETING OF SOPAC, SPC AND SPREP GOVERNING BODIES  
ON THE REGIONAL INSTITUTIONAL FRAMEWORK (RIF)**  
(Tradewinds Convention Centre, Suva, Fiji, 7-8 July 2009)

**SUMMARY OF DECISIONS**

1. The governing bodies of the Pacific Islands Applied Geoscience Commission (SOPAC), the Pacific Community (SPC), and the Pacific Regional Environment Programme (SPREP) met together under the chairmanship of the Secretary General of the Pacific Islands Forum Secretariat to consider options for new institutional arrangements for their organisations. The meeting was an historic occasion, being the first time that such a joint meeting has been held. Work on the reform of the current Regional Institutional Framework (RIF) has been carried out in response to the decision of Pacific Islands Forum Leaders and the previous decisions of the three governing bodies that SOPAC programmes and services should be rationalised into SPC and SPREP. As a result, the CEOs of SOPAC, SPC and SPREP, with the support of their staff, have undertaken extensive consultation to develop options for such a rationalisation and have commissioned reports from independent consultants on the financial, legal and operational implications of various options. An overriding consideration of these consultations has been the need to avoid fragmentation or diminution of SOPAC's core services, which are highly valued by its members, and to ensure that the region benefits from enhanced synergies and efficiencies as a result of the rationalisation, in accordance with the objectives of the RIF process and the wishes of Forum leaders. After extensive deliberation of the options and associated implementation plans presented, the joint meeting of the governing bodies of SOPAC, SPC and SPREP agreed on the following decisions. These decisions will be provided to Forum Leaders through the Pacific Plan Action Committee.

**DECISIONS**

- a) *With respect to the ICT Outreach Programme of SOPAC, the joint meeting of the governing bodies:*
- (i) endorsed the integration of the ICT Outreach Programme of SOPAC into the Digital Strategy component of the proposed, new division of Economic Development, Energy, Transport, Infrastructure and Communication of SPC from January 2010;
  - (ii) noted that the final implementation plan will be presented to the meetings of the respective governing bodies of SPC and SOPAC in October 2009; and
  - (iii) noted further that the GIS and remote sensing functions constitute an integral part of the core scientific work of SOPAC and will transfer to SPC from January 2010;

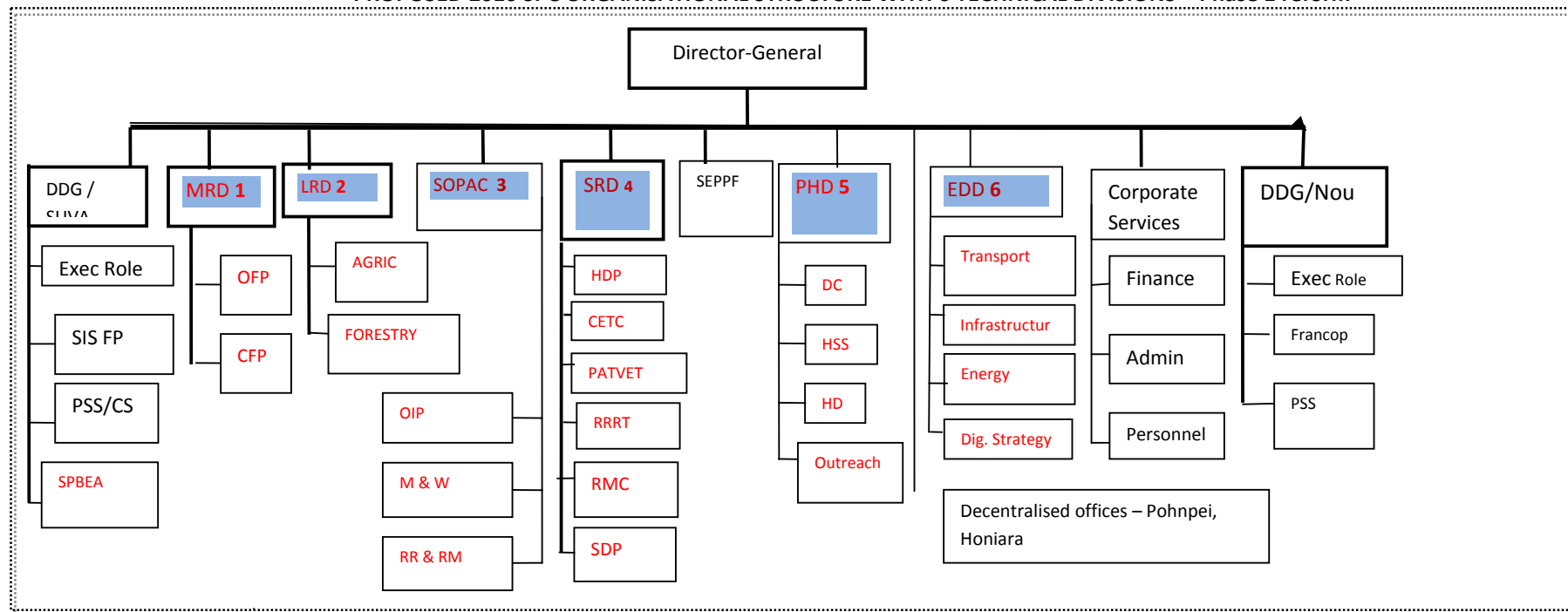
**b) *With respect to the Energy Programme of SOPAC, the joint meeting of the governing bodies:***

- (i) endorsed the decision taken by Pacific Energy Ministers in Tonga in April 2009 in which Energy Ministers:
  - a. agreed that regional and donor coordination and delivery of energy services to Pacific Island countries be strengthened and delivered through one energy agency and through one programme contributing to the development of a stronger energy sector and improved service to member countries; and
  - b. in this context, noted that there was a need to ensure that energy policy and climate change policy remained separate, where environmental aspects are managed by SPREP and energy sector activities by SPC so as to ensure that the socio-economic aspects of energy were adequately addressed;
- (ii) recognised the interrelationship and links between energy and climate change and the need to address energy policy in relation to climate change as an integral part of the final implementation plan for rationalisation of the energy programme of SOPAC;
- (iii) noted that this plan will be presented for consideration to the meetings of the governing body of SPREP in September and of SOPAC and SPC in October 2009 to enable implementation from January 2010.

**c) *With respect to the balance of the SOPAC core work programme, the joint meeting of the governing bodies:***

- (i) welcomed the commitment by members to strengthen SPREP as the region's lead environmental agency, including through support for the implementation of the approved decisions relating to the independent corporate review of SPREP;
  - (ii) agreed that the following specific SOPAC functions be transferred to SPREP from January 2010: the Pacific Islands Global Ocean Observing System, the Islands Climate Update, the Climate and Meteorological Database, and the component of the energy sector relating to monitoring and evaluation of greenhouse gases and the clean development mechanism (CDM);
  - (iii) agreed that the remaining functions of SOPAC be transferred to SPC as a new geoscience division from January 2010 based on the final implementation plan to be presented to and considered by the governing bodies of SOPAC and SPC in October 2009;
  - (iv) encouraged SPREP and SPC to optimise linkages between their work programmes and activities in the area of environment to strengthen service delivery and coordination; and
  - (v) agreed that progress with the transfer of SOPAC functions be reported to the annual meetings of the governing bodies and Pacific Plan Action Committee.
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PROPOSED 2010 SPC ORGANISATIONAL STRUCTURE WITH 6 TECHNICAL DIVISIONS – Phase 1 reform

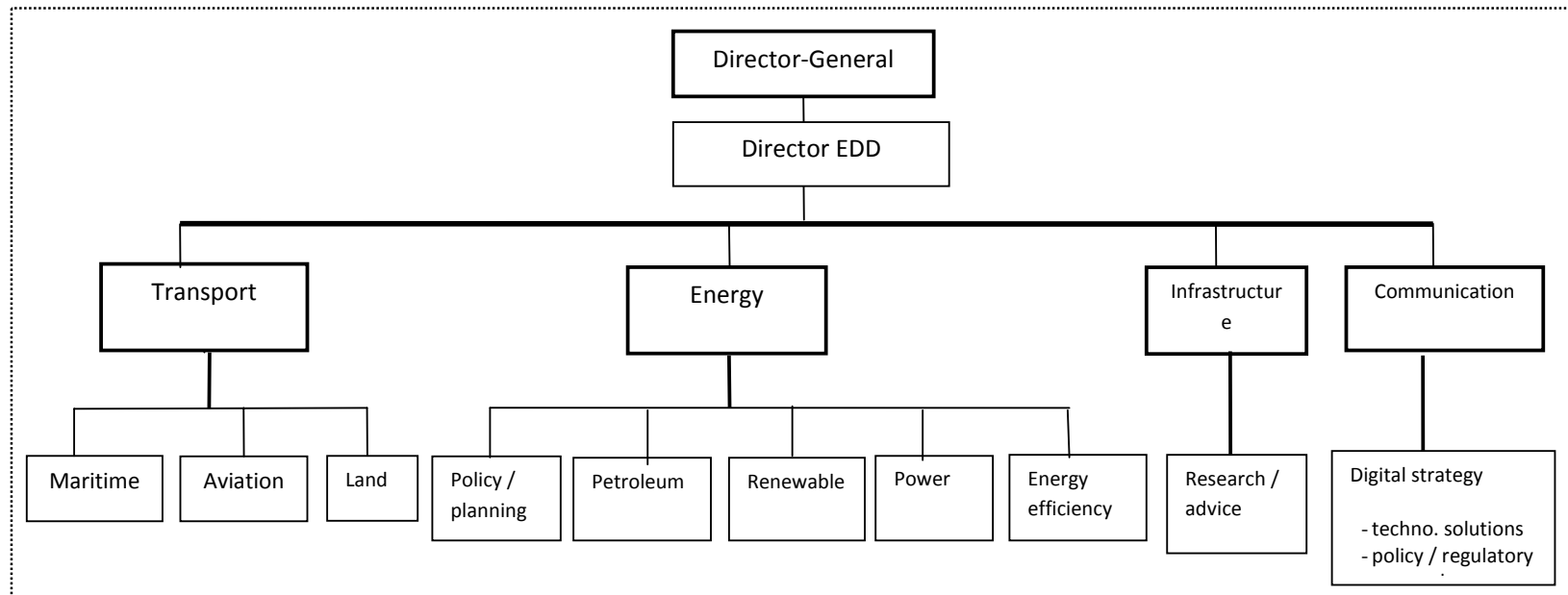


CFP	Coastal Fisheries Programme	MRD	Marine Resources Division (1)	SIS FP	Small Island States Focal Point
Francoph FP	Francophone Focal Point	OFF	Oceanic Fisheries Programme	CETC	Community Education & Training Centre
HDP	Human Development Programme	PHD	Public Health Division (5)	S&DP	Statistics & Demography Programme
HSS	Health Systems Strengthening	HD	Health Determinants	SEPPF	Strategic Engagement, Policy & Planning Facility
LRD	Land Resources Division (2)	PSS	Programme Support Services	SPBEA	South Pacific Board for Educational Assessment
M & W	Minerals & Water	RRRT	Regional Rights Resources Team	RR & RM	Risk Reduction & Risk Management
OIP	Oceans & Islands Programme	CRP	Community Risk Programme	W&S	Water & Sanitation
RMC	Regional Media Centre	EDD	Economic Development Division (6)	DC	Disease control (CDs/NCDs/emerging diseases)
SRD	Social Resources Division (4)	PATVET	Pac. Tech. & Vocational Educ. & Training	SOPAC	SOPAC Science & Technology Division (3)



ANNEX 3

**PROPOSED STRUCTURE OF ECONOMIC DEVELOPMENT DIVISION (EDD) OF SPC**



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ANNEX 4

**PAPER ON THE CONTEXT AND STRUCTURE OF THE REGIONAL ENERGY  
PROGRAMME AT SPC**

(WILL BE SENT OUT SEPARATELY)

ANNEX 5

**REGIONAL INSTITUTIONAL FRAMEWORK REVIEW (RIF)**

**Assessment of the Regional Institutional Arrangements Proposed by the CEOs of  
SOPAC, SPC and SPREP**

Consultant's Final Report: Part Two

Part A: Background and Common Issues  
Part B: Reformed, Rebranded SOPAC and SPREP  
Part C: SOPAC established as a Division of SPC

8<sup>th</sup> June, 2009

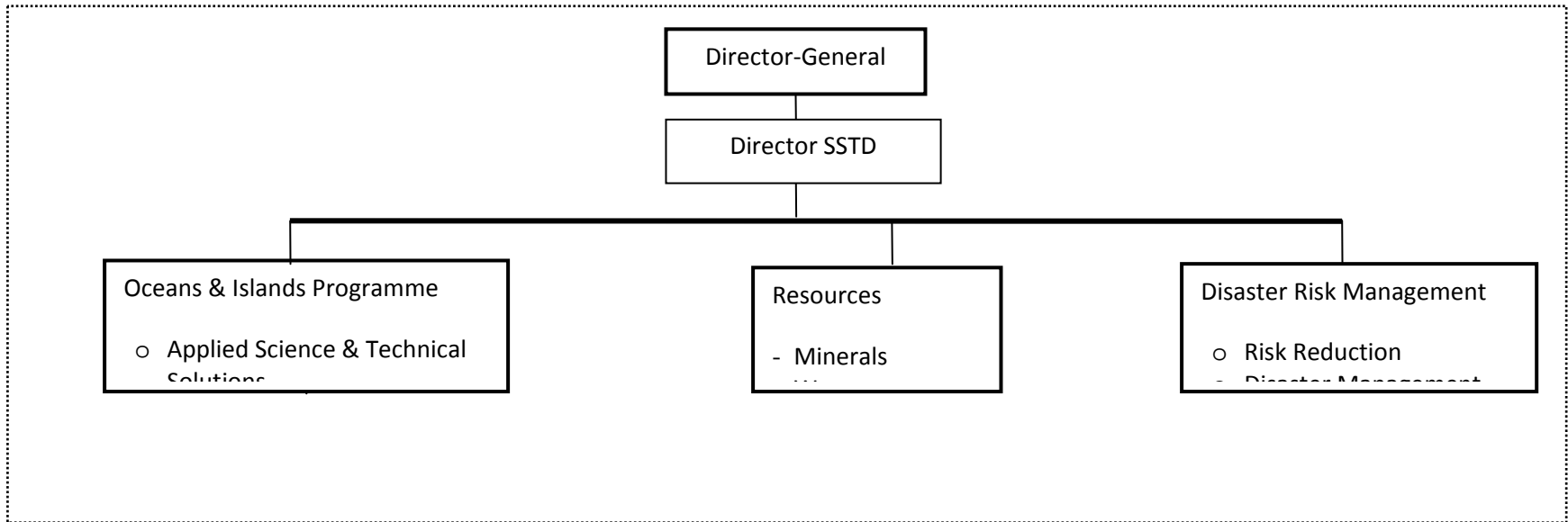
Rewi Edwin Pittman  
Catherine Bennett  
Russell Howorth

**Note:** This report was tabled at the Joint Meeting of the Governing Bodies of  
SOPAC, SPREP and SPC

on 7 – 8<sup>th</sup> July 2009 in Suva, Fiji

Additional copies will be available at the meeting

**PROPOSED STRUCTURE OF SOPAC SCIENCE & TECHNOLOGY DIVISION (SSTD) OF SPC**



ANNEX 7

**MERGER OF SPBEA/SPC**  
**TABLE 1- IMPLEMENTATION PLAN / MILESTONES FROM THE CONSULTANTS' REPORT**

<b>Recommended milestones from the consultants</b>	<b>Progress to date</b>
1. Appoint a senior level person with the role of Change Leader.	Deputy Director-General (Suva) was appointed Change Leader in May 2009 <b>Actioned</b>
2. Draw up mission critical statement/ presentation and provide clear direction and goals at launch.	Work in progress <b>On track</b>
3. Develop a tactical implementation plan of activities to resolve issues within realistic time frames	Tactical Implementation Plan approved by the Guiding Coalition Group (GCG) at its first meeting in July 2009. Progress will be monitored by GCG. <b>On track</b>
4. Define new reporting arrangements between Department and Divisional Heads for post-merger 2010.	Work in progress <b>On track</b>
5. Review any new governance regulations issued by jurisdictions and action risk management procedures	SPBEA Board sought an independent legal opinion on the merger. This exercise will be undertaken as due process following the merger to address the full integration of the two legal entities, including the processes involved and the timeframe within which this would be achieved. <b>On track</b>
6. Draw up merger project scope document containing the 5 major STEPS (Section 7 – Change Management Process) and detailed activities, responsibilities and time frames	Revised Implementation Plan approved by the GCG at its first meeting in July 2009. Three Project Teams have been set up and are currently working in the areas of (i) Finance; (ii) HR; and (iii) ICT. Progress will be monitored by GCG. <b>On track</b>
6.1. Budgets: Align SPC-SPBEA budget preparation timetables in 2009 for FY 2010	1. Payment of contributions: Ministries of Education of SPBEA member countries are responsible for payment of contributions to SPBEA, whilst Ministries of Foreign Affairs are responsible for payment of contributions to SPC. This will continue post merger with the focus being on how best to simplify and streamline the process. A joint paper by the two CEOs to the October governing body meetings will further discuss this. 2. There are no increases to contributions by SPBEA members in 2010. SPBEA's budget has been incorporated in SPC's budget for fiscal year 2010. <b>On track</b>

Recommended milestones from the consultants	Progress to date
6.2. Assets & liabilities: Decision on asset register and management and control of liabilities	The Finance Team has commenced work on this. The fixed assets register will be finalised after stock count and audit on 30/12/2009. Progress will be monitored by GCG Group. <b>On track</b>
6.3. Finance procedures: When & how will SPBEA be aligned with SPC, including alignment of Financial Regulations	(i) Preliminary review of accounting systems has been undertaken. MYOB to be continued in 2010 whilst Navision functionality to be reviewed. (ii) Preliminary review of management reporting requirements has been undertaken. More detailed review of accounting systems/reporting requirements to be completed by December 2009. <b>On track</b>
6.4. Staff regulations: Align SPC-SPBEA staff regulations, terms and conditions, policies and procedures	<ul style="list-style-type: none"> <li>• Work on aligning staff regulations &amp; rules has advanced with a view to having them operational by January 2010. In the main: <ul style="list-style-type: none"> <li>○ Staff contracts will be honored. Contract management process is in place (in both SPBEA and SPC) which ensures staff can make informed decisions about their future employment prior to or post-merger.</li> <li>○ The outcome of the CROP job-sizing exercise will need careful analysis to ensure it accurately reflects the full worth of each position at SPBEA in light of the difficulty in attracting staff.</li> </ul> </li> <li>• GCG will monitor progress in this area.</li> </ul> <b>On track</b>
6.5. Office space: Discuss and decide on possible extra space requirements for SPBEA at 26 McGregor Road. What are the options?	SPBEA will remain in their current premises. The two CEOs have agreed to negotiate with landlord for additional space to cater for projected growth of SPBEA in 2010. GCG will monitor progress in this area. <b>On track</b>
6.6. Co-branding: Consult with RRRT on their approach to co-branding; SPC-SPBEA letterhead, brochures, business cards, etc.	Decision on the co-branding option made by GCG, for implementation from January 2010. <b>On track</b>
6.7. Signage: Improvements to external office signage	Work has already commenced, aimed at January 2010 implementation. GCG will monitor progress. <b>On track</b>
6.8. Web sites: Consult with RRRT on experience with web upgrade and web links SPBEA-SPC	Consultation with RRRT has been undertaken. Phased plan of implementation is in place and awaiting availability of funding. GCG will monitor progress. <b>On track</b>
6.9. Financial rounding off: Procedures for closing off accounts in the final months of FY 2009	Work on this has already commenced aimed at January 2010 implementation. GCG will monitor progress. <b>On track</b>
7. Appoint Divisional Head of ETHD	SPBEA Board urged SPC to look at ways of filling this position as soon as possible. The position will be brought into the 2010 budget process so it is not possible to appoint the director any earlier than 2010.

**TABLE 2 - OTHER SPBEA SPECIFIC ISSUES DISCUSSED BY SPBEA BOARD**

ISSUE	PROGRESS / UPDATE
1. Communicate the change/merger mission and progress repeatedly	<ul style="list-style-type: none"> <li>The Change leader will be responsible for providing regular communication resulting from the work of the GCG to staff and management of both organisations; SPBEA Board and CRGA members, and other stakeholders on a regular basis prior to January 2010. The SPBEA and SPC Teams have held several meetings on the change/merger mission, and relevant outcomes have been communicated to staff. The Guiding Coalition Group has also met twice to monitor progress.</li> </ul> <p><b>On Track</b></p>
2. Develop a tactical implementation plan of activities to resolve issues within realistic timeframe	<ul style="list-style-type: none"> <li>A revised implementation Plan and progress report was approved at the first meeting of the GCG. The GCG will continue to monitor progress.</li> </ul> <p><b>On Track</b></p>
3. Title of SPBEA Director & structure of division	<ul style="list-style-type: none"> <li>SPBEA Board resolved that the designation of the head of SPBEA post merger needs to reflect the importance of SPBEA work and size of SPBEA within the reformed division and flexibility should be maintained in any transition period. The Board emphasized the need to delineate between an organisation such as SPBEA and a programme like CETC in the new structure.</li> </ul> <p><b>On Track</b></p>
4. Role of SPBEA Board and Executive pre and post-merger	<ul style="list-style-type: none"> <li>The role currently undertaken by the SPBEA Board in determining priorities for SPBEA, approving its work programme, and ensuring it has adequate resources to implement its approved work plan will very much remain with the Board.</li> <li>The SPC governing body in the main considers and endorses the work plan &amp; budget as it currently does for other divisions / programmes of SPC. <b>On Track</b></li> </ul>
5. Budgeting and cost impacts	<ul style="list-style-type: none"> <li>Budgeting cost impacts –there are cost implications related to the ICT. In addition SPC will incur costs on the appointment of the Head of the division. <b>On Track</b></li> </ul>
6. Membership and contributions:	<ul style="list-style-type: none"> <li>SPBEA and SPC membership contributions for will remain. See also 6.1 in table 1 above.</li> </ul>
7. Assets and liabilities	<ul style="list-style-type: none"> <li>Already dealt with in Table 1.</li> </ul>
8. SPBEA accounts arrangements a) Examination registration payments and accounts	<p>The current arrangement for examination payments and accounts will continue in 2010.</p> <p><b>On Track</b></p>
8 b) Arrangements for payment of contract workers: in 2008 there were 702 external contractors employed by SPBEA across nine countries for examination services.	<p>As per 8 (a) above</p>
8 c) Goods and services	<p>As per 8(a) above.</p>

ISSUE	PROGRESS / UPDATE
<p>9. Merger Costs                      a) costs associated with managing the transition process in 2009;                      b) Costs affecting budgeting for 2010.</p>	<p>a) Apart from staff time, there will be a small cost related to the work of the GCG, mostly to bring in members not resident in Fiji.                      b) There are cost implications associated with the ICT component of the merger. The implementation of the CROP harmonization and CRGA salary increases in January 2010 will also incur additional costs.</p>
<p>10. Legal issues</p>	<p>The January 2010 merger is effected under the political / policy directive from leaders and facilitated through agreement by the two governing bodies. Post merger an assessment will be made on how best to integrate two legal entities into one. This work is not expected to affect service provision to members.</p>
<p>11. Risks</p>	<p>Staff employment conditions / contracts need to be managed to ensure there is not unnecessary loss of staff. Merger must not in any way undermine services; and must not compromise the status and role of SPBEA.</p>