



**FORTY-FIFTH MEETING OF THE
COMMITTEE OF REPRESENTATIVES OF GOVERNMENTS AND ADMINISTRATIONS**
(Alofi, Niue, 31 October–2 November 2015)

AGENDA ITEM 2: DIRECTOR-GENERAL'S REPORT

(Paper presented by the secretariat)

Summary

1. This is my second report as Director-General. The report provides an overview of the key activities undertaken during 2015 to consolidate the position of the Pacific Community (SPC) as the leading scientific and technical agency in the Pacific region, supporting sustainable development in member states and territories. Building on the 'Change Agenda' commenced in 2014, the focus during this year has been on ensuring the strategic direction and priorities for the organisation, and managing the budget shortfall looking towards 2016.
2. The most important strategic activity during 2015 is the development of the new *Pacific Community Strategic Plan 2016–2020*, through the active participation of the CRGA subcommittee endorsed by CRGA 44. The Strategic Plan was widely consulted on, with the active involvement of staff, members, development partners and other stakeholders. The plan sets out the strategic direction and priorities for SPC over the next five years as well as the optimum organisational structure, resource and skill requirements and strategic partnerships.
3. The Strategic Plan has affirmed SPC's support of three broad development goals of members, and identified the following strategic objectives for the Pacific Community, which will ensure that SPC can provide effective and efficient support for members in pursuit of sustainable development. These are:
 - Strengthen engagement and collaboration with members and partners
 - Strengthen technical and scientific knowledge and expertise
 - Address members' development priorities through multi-disciplinary approaches
 - Improve planning, prioritisation, evaluation, learning and innovation
 - Enhance the capabilities of our people, systems and processes
4. The Strategic Plan is a high-level statement of intent for the Pacific Community. The plan will be accompanied by a Strategic Results Framework, which will include a greater level of detail of the planned activities, outputs and outcomes to be achieved during the plan period. This framework is in draft form, and will be approved by CRGA in 2016, and annual evolutions of the results framework will be approved in subsequent CRGAs. The Pacific Community Results Report (modelled on the 2014 Programme Results Report, which was well received by CRGA 44), will be the

secretariat's report to CRGA against the Strategic Results Framework each year. The five *lessons learned* in the 2014 Programme Results Report are responded to in the new Strategic Plan.

5. To ensure that SPC has a clear 'line of sight' between the Strategic Plan, the Strategic Results Framework and the organisation's practical work, internal divisions and teams in SPC will produce aligned multi-year business plans. Monitoring, evaluation and learning (MEL) will be strengthened and prioritised in all programmes to underpin SPC's organisational objective of continually improving effectiveness. Overall, these changes are designed to support better integration of all of SPC programmes and encourage a 'one SPC' culture for the organisation.
6. The financial situation of SPC needs further work. SPC relies heavily on project funding from a very narrow donor funding base. This situation places the organisation at considerable financial risk. The situation was aggravated by a budget deficit in 2014 due, in large measure, to exchange rate fluctuations. Similar deficits are projected in 2016 and 2017, although we have been able to bridge the financial deficit for the coming year through internal efficiency measures adopted by the divisions and the Operations and Management Directorate (OMD). Furthermore, we have also been trying to secure outstanding funds from some members, as well as making a critical review of our expenditure plans, such as reducing travel plans by 25% in 2016, and encouraging greater use of communication technology. Greater assurance of SPC expenditure is now in place, with the work of the Audit and Risk Committee, especially in relation to its focus on internal audit.
7. The long-term financial outlook for SPC remains fragile, as the imbalance between core resources and project funding has limited SPC's flexibility to strategically allocate its core budget resources across divisions and programmes. In 2015 SPC's core funding represented 24% of the total budget; well below the 35% recommended by the Independent External Review (IER) in 2012. A new Director of Finance was recently recruited to assist SPC with strategic financial advice and guidance for the organisation as a whole. We intend to produce a full financial analysis and projections for CRGA 46, including how we intend to ensure a sustainable and predictable financing regime for the organisation. A number of measures are currently being explored, including full cost recovery, consistent application of management fees to project-funded activities and a planned approach to resource mobilisation. Members are asked to assist SPC to manage this critical risk issue.
8. We are continuing to change the way programmes at SPC are designed and implemented. Our aim is to encourage divisions and teams to design more cross-divisional projects rather than maintaining the single-sector focus of the past. The non-communicable diseases (NCDs)/Food Security Working Group, established in 2014, is continuing to work together as a group, with the new approach being piloted in Fiji, Kiribati and Tonga. Similarly, lessons learned from the Climate Change and Disaster Risk Management (CCDRM) Working Group are being applied to our future plans in this area. A new senior staff member was recently recruited to manage the 'Programming Approach' within SPC. This work is closely linked to 'Country Programming', which is yet to be fully established. The Programming Approach remains an important part of the SPC evolution and for positioning the organisation for the future.
9. Following the completion of the draft Strategic Plan, discussions are taking place on the most appropriate structure for SPC to maximise its ability to deliver on its priorities. Structural considerations are complicated by the nature of the region, costs of communication and travel and the expectations of members. A new 'headline' structure of SPC has been agreed, which includes a reduction in the number of Deputy Directors-General (DDGs) from three to two, one Suva-based DDG and one in Noumea. Discussions on the remaining structure are ongoing, including processes

and systems that are needed to support the new arrangements. The headline organisational chart is attached as Annex 1.

10. Following the practice of the last two years, members will each receive a summary of the SPC work plan in their country. The country report, which summarises the work over the past year, will be produced in 2016 (to align with the change of date of CRGA). In anticipation of more responsive and prioritised country programming, memoranda of understanding (MOUs) were signed with the governments of Papua New Guinea and Tonga during 2015. These MOUs set out joint work plans in these respective countries, and make clear the roles and responsibilities of SPC and members. Similar MOUs are being completed with the governments of Solomon Islands and Vanuatu. SPC is also working closely with staff of the Melanesian Spearhead Group (MSG) to progress the sub-regional priorities identified in the MOU with that organisation. SPC is currently considering co-locating staff with the MSG in Port Vila. The relationship between SPC and MSG is constructive and mutually reinforcing. We anticipate increasing our activity levels in the Melanesian sub-region in response to population size, development needs and capacity constraints.
11. A 'Strategic Partnership Agreement' was signed between SPC and the European Commission during the year. The new partnership reflects the significant funding provided by the European Union (EU) and the need to actively engage the EU in planning and monitoring the work of SPC. Planning and consultation on the allocation of the funds from EDF11 has occupied much staff time during the year. As the largest implementing agency in the region, we expect that SPC will have a major role in the implementation of EDF11 when agreements are finalised. The SPC 7-Pillar Assessment identified a number of 'weak' areas needing further work, and agreement has been reached with the EU on a way forward. Finalising an acceptable EDF11 agreement is an important activity for SPC in 2016.
12. At the time of writing, Timor-Leste is expected to be admitted as a member of the SPC family at the Conference of the Pacific Community this year, although their requirements for acceding to the Canberra Agreement have not yet been completed. We anticipate that Timor-Leste will be able to participate at all SPC events, pending the completion of these requirements. Discussions with senior Timor-Leste leaders and officials give us confidence that the process will be completed shortly.
13. I made a keynote presentation at the Third Annual Pacific Islands Development Forum (PIDF) Summit in Suva, in September this year. Climate change and the preparations for COP21 in Paris were the main items discussed at the Summit. The Summit was well attended and the Suva Declaration for COP21 was endorsed by meeting participants. Forum Leaders also adopted a statement on climate change for COP21, in addition to the Small Island States (SIS) and Polynesian Leaders Group (PLG) statements. SPC is working with other member agencies of the Council of Regional Organisations of the Pacific (CROP) to support members for COP21 in Paris. There continues to be uncertainty around the role of CROP agencies on climate change, and a degree of 'competition' is apparent. It is important that CROP agencies agree on their respective roles ahead of the availability of funds from the Green Climate Fund (GCF) and other sources of funds. SPC is currently completing the process for accreditation as an implementing agency for the GCF.
14. Tropical cyclone Pam caused widespread damage in several Pacific Island countries and territories (PICTs) in early 2015. The equivalent cost of the damage in Vanuatu was estimated at 40% of the national GDP. SPC provided technical assistance in a number of areas to Kiribati, Solomon Islands and Tuvalu, and helped facilitate the Post Disaster Needs Assessment in Vanuatu. As a result of this work, the German government has allocated six million euros to SPC for the rehabilitation and

rebuilding of infrastructure in all affected countries. This agreement has been signed, and implementation is under way.

15. SPC continues to work closely with other CROP agencies to improve the way members are supported. The focus this year was on the design and implementation of the Framework for Pacific Regionalism led by the Pacific Islands Forum Secretariat (PIFS). The process for selecting regional priorities for the Forum Leaders' endorsement continues to evolve, and SPC will continue to engage with PIFS and other CROP agencies on the implementation of the five priorities (as well as public submissions that were referred to the SPC secretariat by the Forum Officials Committee [FOC] Specialist Subcommittee on Regionalism [SSCR]). Improving the coherence of policy advice and the way CROP agencies work together is a critical activity in 2016.
16. I presented a statement on behalf of the Pacific Community to the United Nations General Assembly (UNGA) in September 2015, which represented the first time that SPC had addressed the UNGA. This development was made possible by the admission of a SPC as a Permanent Observer to the UN in 2014. The Sustainable Development Goals (SDGs) were formally endorsed at the 2015 UNGA. The SPC statement received much positive feedback. SPC expects to play a significant role in the implementation of the SDGs as well as providing leadership, guidance and support in the development of regional indicators and the collection of necessary data. Data requirements for monitoring and implementing the SDGs will incur considerable additional costs for SPC members.
17. Despite the range and impact of SPC's work with members, the level of awareness in countries, development partners and the general media is not as high as it could be. Reflecting an enhanced emphasis on communicating what SPC does effectively, the organisation recruited a Director of Strategic Communications, and this function will aim to improve the visibility of SPC and communicate our achievements to all stakeholders. A new communications strategy includes revamping the SPC website as well as new visual images accompanying revised communications policies and practices within the organisation. SPC needs to increase its investment in its communications capacity, building on what already exists in various divisions.

Recommendations

18. CRGA is invited to:
 - i. acknowledge the Pacific Community's (SPC's) achievements in 2015;
 - ii. note progress on the SPC 'Change Agenda', including the new 'headline' structure;
 - iii. direct the secretariat to participate actively in the CROP Governance and Finance Review;
 - iv. approve the secretariat's efforts to enhance SPC's outreach, visibility and partnerships, and mandate the secretariat to continue these efforts;
 - v. endorse the secretariat's initiative to clearly identify priority areas of work and to focus resources accordingly, in line with the Pacific Community Strategic Plan 2016–2020;
 - vi. provide guidance, as appropriate, to the secretariat on the key challenges facing SPC in terms of governance, partnerships, regional architecture and CROP agency coherence;

- vii. note the fragile financial situation of SPC, approve the objective of increasing core funding to around 35% of the total budget and agree on exploring opportunities for cost-sharing on specific services and resource mobilisation in general;
 - viii. note that the secretariat has determined that the organisation should revert to using its formal name 'the *Pacific Community*' ('*la Communauté du Pacifique*'), adopted by the 37th South Pacific Conference in 1997 to replace 'the South Pacific Commission' and reaffirmed by Resolution of the 8th Conference of the Pacific Community. This will rectify the informal practice of referring to the organisation as 'the Secretariat of the Pacific Community', which has developed over past years. Note also that the Pacific Community ('*la Communauté du Pacifique*') refers to members and the secretariat as a whole, as does the abbreviation, 'SPC' ('CPS');
 - ix. note the updated Pacific Community logo and associated visual identity.
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DIRECTOR-GENERAL'S REPORT

Purpose

19. This paper provides a summary of the main areas of work undertaken in 2015 and a summary of the implementation of decisions from CRGA 44, and signals future challenges for the Pacific Community (SPC). Further details can be found in relevant papers in the CRGA agenda.

Background

20. SPC has been providing scientific and technical support to its members for 68 years, to assist them to achieve their development goals. SPC is widely acknowledged as the largest implementing agency in the region, and is generally highly regarded for its work. However, changes in the development landscape in the region, increasing competition for resources and rising public expectations mean that the organisation must strive to remain relevant, effective and responsive to the needs of its members. This is the key challenge facing SPC over the next five years.
21. The SPC 'Change Agenda', endorsed at CRGA 44, continued to be the focus of work by SPC staff during the past year. Most of the decisions from CRGA 44 have been implemented, except for parts of the 2014 SPC Governance Review – some of these activities have not been implemented due to a lack of resources. A summary of the status of CRGA 44 decisions is attached as Annex 2.
22. The completion of the new *Pacific Community Strategic Plan 2016–2020* was the most important strategic activity completed during 2015, along with related measures designed to ensure financial stability and improved staff recruitment and retention, and to secure productive and respectful partnerships and improved visibility for the organisation. The Strategic Plan will provide the strategic direction and priorities for SPC's work during the plan period. It also informs the structural changes, systems and processes introduced in order to optimise the ability of staff to achieve their divisional and team objectives. The key aim of the Strategic Plan is to ensure enhanced impact, and improvements in the effectiveness, of our work.
23. Despite the organisation's excellent track record of service delivery, SPC faces a considerable range of challenges over the next five years. A number of external factors will have an impact on SPC, including the changing political landscape, the decline in development resources, rising public and donor expectations for better value for money, demands created by the Sustainable Development Goals (SDGs), the Pacific Framework for Regionalism and climate change. SPC must continue to evolve, and to strive to be more selective in its work, including support for the 'Programming Approach' and enhanced engagement with members. Members are increasingly looking at global non-governmental organisations (NGOs) in the development space, and SPC cannot continue to follow a 'business-as-usual' approach and expect to continue to achieve similar results as in the past. An increased focus on, and application of, robust monitoring, evaluation and learning in all areas of SPC endeavour is essential.
24. A historical anomaly in SPC's name was corrected, with the organisation reverting to using its formal name 'the *Pacific Community*' ('*la Communauté du Pacifique*'), adopted by the 37th South Pacific Conference in 1997 to replace 'the South Pacific Commission', and reaffirmed by Resolution of the 8th Conference of the Pacific Community. This will rectify the informal practice of referring to the organisation as 'the Secretariat of the Pacific Community', which has developed over past years. The Pacific Community ('*la Communauté du Pacifique*') refers to members and

the secretariat as a whole, as does the abbreviation, 'SPC' ('CPS'). This name adjustment is accompanied by refreshed visual images and brand management.

25. Increasingly, development in the region will be dominated by organisations that are seen to be proactive, responsive, visible and effective. Every effort has been made (and these efforts are ongoing) to position SPC as an effective regional development organisation, producing world-class scientific and technical services in support of its members. This remains the overall goal of SPC, building on its record of achievement, the dedication of its staff, and partnerships forged over its 68-year history. SPC will continue to strive for excellence and a world-class status, with a clear focus on assisting PICTs.

CURRENT ISSUES

Governance and CROP agencies

26. A review of the governance of SPC (the Governance Review) was completed in 2014, and approved by CRGA 44. SPC continues to implement these recommendations, as resources permit. An important aspect of this work is the need to engage more effectively with representatives of members, and to ensure the active participation in, and improved ownership of, SPC by its governing body. There are ongoing concerns about the level of participation by members and the frequent turnover of member representatives. It is also apparent that representatives do not always consult their respective ministries, and advice provided to CROP agencies by members can be inconsistent. SPC plans to provide support and training to CRGA representatives in 2016, as identified by the Governance Review.
27. Furthermore, there are ongoing concerns in the region about the roles and responsibilities of various CROP agencies, and the perceived competition for resources, duplication of effort and lack of coherence in advice to members from different CROP agencies. Efforts are ongoing to improve the coherence of policy advice provided by CROP agencies, but the nature of the architecture of the regional agencies is such that individual agencies are often driven more by their funding and resource interests than what is in the best interests of the broader region. Conversely, it is apparent that members' representatives often do not have an agreed position with their governments to take to the respective CROP agencies, resulting in different advice being provided to different CROP agencies by the same government. This arises because representatives to the different CROP agencies are often located in different ministries and government departments, and there is often no internal harmonisation of positions. This fragmentation is exacerbated by the different state memberships of the different CROP agencies.
28. The Forum Leaders meeting in Papua New Guinea (PNG) in 2015 agreed that a Governance and Finance Review would be completed as a matter of urgency in order to streamline the architecture, governance and financing of CROP agencies. SPC has been actively working alongside PIFS to lead the development of the terms of reference for this review. The emergence of PIDF alongside the Pacific Islands Forum has significant cost implications for SPC, including both direct financial costs and opportunity costs. At some stage, SPC will be looking to Pacific leaders to provide clear guidance to CROP agencies around the respective roles and interrelationships between these bodies, in order to avoid duplication, reduce costs and enhance effectiveness.

Membership

29. SPC continues to work with members, and through CRGA, to streamline engagement rules and enable non-state entities to participate more effectively in the governance and management of the organisation. It is in SPC's interests to agree on a way forward on outstanding membership issues.
30. CRGA 44 requested the Director-General to undertake a mission to the Commonwealth of the Northern Mariana Islands (CNMI) to secure ongoing membership and obtain commitment to complete the payment of all outstanding arrears. Due to a series of natural disasters and elections in CNMI, the visit could not be undertaken. However, the Governor of CNMI has written to the SPC confirming CNMI's intention to continue as a member but explaining that it was unable to make repayments due to its financial situation and immediate post-disaster recovery needs. CRGA is requested to provide guidance on how to manage this situation.
31. A separate paper on broader membership issues is provided (paper 4.2).

Strategic direction

32. The new Pacific Community Strategic Plan 2016–2020 is the proposed strategy for guiding the work of the organisation over the next 5 years. The new plan includes the following strategic objectives:
 - Strengthen engagement and collaboration with members and partners
 - Strengthen technical and scientific knowledge and expertise
 - Address members' development priorities through multi-disciplinary approaches
 - Improve planning, prioritisation, evaluation, learning and innovation
 - Enhance the capabilities of our people, systems and processes
33. The Strategic Plan will be discussed in two separate sessions at the CRGA, one being a closed session for CRGA members (see paper 8).

Setting priorities

34. A pressing and recurring theme for SPC is the need to identify its priorities more clearly. Considerable debate took place during the development of the Strategic Plan on approaches to setting priorities for the organisation. The challenge for SPC is to balance the expectations of members that SPC provide a broad range of services, with the need to identify and focus on SPC's areas of expertise. The Independent External Review 2012 identified the particular value of SPC to the small members, whereby they rely heavily on SPC for assistance due to their capacity limitations and resource constraints. The imperative to better identify priorities is driven by the projected reduction in development resources, and the need to better communicate SPC's areas of expertise and comparative advantage. Maintaining clarity in the purpose and the priorities of the organisation also enhances the communication and resource mobilisation strategy for SPC.
35. SPC of course already prioritises its work. The predominance of project funding is an important reality impacting on work prioritisation. The source and type of funding influences priority setting, meaning that organisational priorities are affected by development partner priorities, which may not be entirely consistent with those of SPC or its members. Given the preponderance of project funding in SPC's budget, development partners have significant leverage. While SPC recognises

the legitimate priorities of development partners, SPC remains mindful of the overriding imperative of serving its members' interests in its priority setting.

36. The Strategic Plan has identified the need to highlight SPC's 'areas of excellence', based on areas in which SPC has specialised skills, knowledge and experience, and on identified priorities in the Pacific region. SPC's initial areas of excellence will be developed around the organisation's internationally recognised regional public goods, including fisheries science, public health surveillance and the conservation and use of plant and tree biodiversity. The secretariat will identify and develop other areas of excellence from within its current portfolio of work. The purpose of this work is to develop truly world-class expertise in these areas. It will also assist in communicating SPC's particular strengths, compared with other agencies.
37. It is important that many areas of work within SPC are supported to maintain their effectiveness and levels of excellence, and this objective is made clear in the Strategic Plan. The provision of advice and information to members based on quality data and robust analysis will assist SPC to remain the preferred science provider for the region. As yet, SPC does not have an explicit process for assessing the integrity of its data collection, analysis and advice, except in specific areas such as 'Statistics for Development'. This issue will require attention in 2016 and beyond.
38. SPC will continue to focus on the provision of services described as Regional Public Goods (RPGs) where it is generally accepted that these services are most effectively and efficiently provided by one organisation on behalf of all members. Infectious diseases surveillance, statistics and data analysis, and tuna stock assessment are good examples of RPGs.

Sustainable financing

39. The current financial arrangement at SPC is not sustainable and does not enable the organisation to be responsive by reallocating resources to new priorities. Core funding is unevenly distributed to divisions based on historical factors, rather than based on a true reflection of current or future priorities. The budgeting process has also not been able to support new ideas and priorities, because the bulk of SPC's funding is derived from projects and is therefore restricted to those areas. As an illustration, in 2015 SPC's core funding represented 24% of the total budget, well below the 35% recommended by the IER in 2012. Furthermore, there has been no strategy to replace and maintain the organisation's assets. For example, there is an urgent need to upgrade the entire IT system with the organisation's critical dependence on a reliable and modern IT system. This type of corporate investment must be systematically taken into account as part of any sustainable financing strategy for the organisation.
40. Work is currently under way across all of the areas in SPC in order to produce a sustainable but flexible financing regime that supports SPC's new priorities. As part of this work, the secretariat intends to pursue the objective of increasing its level of core funding to 35% of the total budget as one means of enhancing its capacity to address emerging priorities within the organisation, in member states and territories and in the region. A financial plan will be presented to CRGA 46 in 2016 as part of the 2017 budget paper, and current perspectives of SPC's finances are the subject of paper 9.3.

Structure

41. Following the completion of the draft Strategic Plan, discussions are taking place on the most appropriate structure for SPC to maximise its ability to deliver on its priorities. Structural

considerations are complicated by the nature of the region, costs of communication and travel, and the expectations of members. The new 'headline' structure of SPC has been agreed, which includes a reduction in the number of Deputy Directors-General from three to two, one Suva-based DDG and one in Noumea. Discussions on the remaining structure are ongoing, including processes and systems that are needed to support the new arrangements. The headline organisational chart is attached as Annex 1.

Member engagement and country presence

42. The new Strategic Plan has identified the importance of SPC engaging more effectively with members and in stepping up the organisation's commitment to understanding the contexts in which SPC's assistance is provided. It was also widely accepted that SPC needed to have more presence in the countries in the form of staff located within appropriate local ministries, rather than in separate offices. Discussions are ongoing with other CROP agencies in respect of cost-sharing and working together more closely in the countries.
43. A study of country presence will be completed in late November this year. This will be considered by SPC's SLT, and their recommendations may be brought forward for discussion at CRGA 46 in 2016.

Making progress in programming

44. The 'Programming Approach' was developed by SPC, and approved by CRGA 44 in 2014, to ensure consistency and quality across all SPC programmes, and to encourage better integration of, and a greater focus on, inter-divisional approaches to the development challenges of our members. Some progress has been made in implementing the Programming Approach, but it is not yet fully functional. A senior staff member was recently recruited to progress this work within SPC. The emphasis on better programming also reflects the fact that most, if not all, development challenges are multi-faceted in nature, and thus require multi-sectoral responses. The Programming Approach is closely linked to 'Country Programming', and both of these approaches will be progressed in earnest in 2016.

Recruiting and retaining talent

45. SPC is the largest regional organisation in the Pacific, but it lags other CROP agencies in respect of its employment terms and conditions. The CROP harmonisation process was designed to ensure consistency in the application of rewards and remuneration for all CROP staff. This process has not been effective in redressing the deficit in SPC's terms and conditions, and we are currently reviewing ways of addressing this. This is a critical issue for SPC because the organisation relies heavily on its ability to recruit and retain the best talent, especially in highly specialised scientific and technical areas. The present differential places SPC at a disadvantage in the international labour market, and risks compromising SPC's ability to remain at the forefront of scientific and technical endeavour.
46. The enhanced recruitment and retention process approved by CRGA 44, designed as an efficient and effective means of retaining staff who are high performers, has been implemented successfully during 2015. The Contract Renewal Committee considered and approved 22 international staff through this process. By the end of 2015 the Contract Renewal Committee will examine the applications of eligible local staff for permanent contracts. Human resources issues are discussed in papers 9.4 A and 9.4 B.

Facilities and assets management

47. The state of SPC's facilities in its Noumea Headquarters (HQ) has been the subject of several statements to CRGA. The Government of New Caledonia has provided significant resources for the maintenance of HQ buildings and assets over the past three years, but this funding has now ended. The staff accommodation facilities at Receiving and Mont Coffyn are in need of significant upgrade. The secretariat intends to pursue discussions with the Government of New Caledonia, under the framework of a broad, long-term partnership agreement, to maintain a level of funding directed at the maintenance of HQ and staff accommodation.
48. Reference has been made to the urgent need to upgrade and modernise the entire SPC IT system as a matter of urgency. This is a critical area of investment for risk management and business continuity. The secretariat is actively seeking funding for a five-year IT development plan, which would bring the organisation's IT systems up to an appropriate level for an organisation of the size and complexity of SPC.
49. In Suva many of the buildings are sub-standard and are no longer acceptable work places for staff. The distribution of SPC staff across seven sites in Suva is expensive and not conducive to building a team spirit. The buildings occupied by staff of the Geoscience Division (GSD) are particularly unsafe, which has been noted by the external reviewers. Several options are being considered to alleviate the situation for GSD staff.
50. The long-promised Pacific Village no longer seems viable, despite several discussions with the host government and investment by SPC in the preparatory work.

Increasing visibility

51. SPC is the largest implementing agency in the region. It is engaged in valuable scientific and technical activities in support of its member countries and territories. SPC scientists also provide considerable new knowledge in some areas of public goods research, which is often not highly visible. SPC receives regular communication from members and other stakeholders expressing their appreciation of the work undertaken by SPC staff, and requesting assistance from SPC and its staff.
52. Despite the positive image of SPC and its work held by our members and key stakeholders, the work of SPC is not widely known more generally in the region and beyond. To this end, an early appointment was made in 2014 to fill the role of Director of Strategic Communications. A new external communications strategy has been developed and implemented, and an internal strategy is in preparation. The SPC website is being redeveloped, and the SPC 'brand' is being refreshed. A social media policy has been adopted and several designated members of staff are active social media contributors. As a result of these initiatives, SPC's 'visibility' is improving, although it is well short of the desired position. SPC will share its new imagery and approach with representatives at this meeting.

PRIORITIES FOR ACTION

Implementing the Pacific Community Strategic Plan 2016–2020

53. The most important priority for SPC in 2016 is the implementation of the new Strategic Plan. This is a critical priority as it serves as the platform for progressing many of the activities that are

necessary to consolidate SPC's position as the premier scientific and technical agency in the region. Implementing the Strategic Plan is a challenge because of the resource constraints and fragile budget situation for SPC in 2016 and 2017. While funding options are being explored, the reality is that SPC's financial situation presents a serious risk that the pace of implementation of the plan will be slower than desirable, and SPC's ability to provide services will be hampered.

54. SPC is actively exploring funding options, including developing a new plan for financial sustainability with a new Chief Financial Officer, developing a resource mobilisation strategy and seeking members' guidance on how to address arrears issues.

COP21

55. Pacific leaders have been at the forefront of the fight for global commitments on reducing greenhouse gas (GHG) emissions. The Pacific islands are facing the sharp end of the negative effects of climate change, while they contribute a miniscule 0.03% of the total global GHG emissions. A critical milestone in this process is the COP21 meeting, to be hosted by France in late 2015. It is widely accepted that a legally binding agreement is necessary to prevent further long-term change, but it is not certain that a binding agreement will be achieved.
56. SPC staff have been contributing to this work in support of members for several years, as part of the efforts of all CROP agencies. Our climate change-related capacity was recently strengthened with the arrival of the French government-funded position of Director of Environmental Sustainability and Climate Change. This role was committed by France's President Hollande during his historic visit to SPC Headquarters in November 2014. The meeting with President Hollande and Foreign Minister Fabius has assisted in raising French leaders' and officials' awareness of the impact of climate change in this region. The meeting created a forum for a high-level dialogue between leaders of SPC's Pacific Island members and France on the issue of climate change, and provided the platform from which France has advocated for the Pacific region with its partners in the international community. SPC is contributing staff to the CROP team traveling to Paris in support of members' priorities.

Sustainable Development Goals (SDGs)

57. The Sustainable Development Goals were adopted by the United Nations General Assembly in September 2015. The SDGs build on the achievements of the Millennium Development goals (MDGs) and will be the focus of the global development agenda to 2030. I was honoured to speak to the UNGA on behalf of the Pacific Community at the launch of the SDGs. This opportunity was made possible by the acceptance of SPC as a permanent observer to the UN in 2014. I wish to thank the Fiji Government and Pacific Ambassadors based in New York for this achievement. The inaugural Pacific Community statement to the UNGA was well received.
58. In addition to contributing to the implementation of the SDGs in a range of sectors, SPC will continue to contribute to the development of appropriate indicators, and to the collection, collation and dissemination of data for monitoring the implementation of the SDGs in this region. This process is supported by the Pacific Ambassadors in New York as part of the UN process. SPC is concerned at the volume of indicators and data required for this ongoing process, and external assistance is required if PICTs are to be able to provide reliable data and statistics.

Framework for Pacific Regionalism

59. Following the Report on Pacific Regionalism, presented to PIFS by Sir Mekere Morauta in October 2013, Forum Leaders have endorsed the Framework for Pacific Regionalism (FPR) as the key platform to guide development efforts in the region. The FPR replaced the Pacific Plan, which had guided Pacific regional integration and cooperation since 2005. This work is being led and coordinated by PIFS, and CROP agencies have a critical role to play in this process. A critical activity in the implementation of the FPR is in the establishment and work of a FOC Specialist Subcommittee on Regionalism, to assist in the identification of priorities for Pacific Leaders' endorsement. The Subcommittee made its first set of recommendations to the Pacific Islands Forum Leaders meeting in PNG in 2015. These were as follows:
- Increased economic returns from fisheries activity and maritime surveillance
 - Climate change and disaster risk
 - Information and communications technology
 - West Papua
 - Cervical cancer screening and prevention.
60. SPC is a major contributor to the implementation of the Forum Leaders' priorities. The secretariat is referring to the SPC governing bodies, for further consideration and guidance, the question of public submissions in relation to regional priority issues that were referred to SPC by SSCR, in addition to the regional priorities recommended by the SSCR for Forum Leaders' endorsement and to which SPC will contribute. CRGA and Conference are requested to discuss and provide guidance to the secretariat about these priorities, as this issue has significant resource implications for the organisation.
61. The Framework for Pacific Regionalism is dealt with in paper 6 A to CRGA, and will be discussed at Conference.

EDF11

62. The European Union is currently the largest funder of SPC programmes. The European Development Fund (EDF) 10 is coming to an end, and discussions are under way on preparations for EDF11, covering the period 2014–2020. In addition to the National Indicative Programmes, the Regional Indicative Programme for EDF11 has been set at EUR 180 million. SPC has been identified as Joint Coordinator, with PIFS, for Consortium 1 (Regional Economic Integration) and Coordinator of Consortium 5 (Promote and Protect Human Rights for All and Progress in Gender Equality and Civil Society Engagement in Governance Practices).
63. A significant challenge for SPC is the potential loss of skilled staff, given the large time lag between EDF10 funding ending and the beginning of EDF11 funding, which is still under discussion. SPC does not presently have the ability to retain staff funded through EDF beyond current contracts.

SPC divisional and team highlights of 2015 and priorities for 2016

64. Aligned with the new Pacific Community Strategic Plan, divisions will be developing their new and revised business plans covering the same period. Detailed outputs for each division/team will be completed for the new business plans, as well as for the Results Framework which will be

developed in late 2015. The Results Framework will provide details of expected results from all SPC activities.

Strategic Engagement, Planning and Policy Facility (SEPPF)

65. The Strategic Engagement, Policy and Planning Facility is responsible for developing and strengthening external relations with stakeholders, increasing development effectiveness and facilitating strategic organisational development initiatives. A key achievement in 2015 was the development of the new Pacific Community Strategic Plan 2016–2020. SEPPF staff also provided support to the DDG Programmes in respect of the development of SPC's new Programming Approach. Highlights for 2015 included:

- supporting the CRGA subcommittee leading the development of the Strategic Plan, including consultations with stakeholders;
- completing the Governance Review;
- completing country plans for all members for 2015 and 2016 (coordinated across SPC);
- completing the Programme Results Report for 2014 and being developed for 2015 (for CRGA 2016);
- providing monitoring and evaluation advice and guidance, and peer review for all divisions;
- developing the logic frameworks for key programmes, including tropical cyclone Pam, NCDs and EDF11, and providing support with submissions to donors.
- completing the framework for 'Full Cost Recovery' for implementation by finance (end of 2014);
- facilitating SLT development and retreats and team building, developing a performance management process and key aspects of the SPC reform agenda;
- facilitating the development of strategic relationships with Australia and New Zealand, including progressing multi-year funding agreements and High-Level Meetings, and supporting relationships with New Caledonia and France; and
- Oversight of, and successfully implementing, the SPC Energy Efficiency Programme, with further reductions in carbon emissions (and reduced energy consumption).

Geoscience Division (GSD)

66. The Geoscience Division is continuing the work to integrate and align its work systems and culture with SPC, following the merger of the Pacific Islands Applied Geoscience Commission (SOPAC) with SPC in 2011. An independent external review of GSD was completed in 2012 to assess its 'fitness for purpose'. Review findings showed that the work of GSD staff was valued by SPC member countries and territories and was generally well regarded. A priority for GSD (and indeed all of SPC) is the need to strengthen management policies and practices within the division. There are acute concerns about the safety and quality of the work space for GSD staff, and a number of options are being considered to rectify this.

67. GSD is performing well, and grew significantly over the past year, in both budget size and staff numbers. GSD continues to provide technical support in a number of areas, including water and sanitation, maritime boundaries, climate change and disaster risk management, geo-information and remote sensing, deep sea minerals, drone technology, ocean monitoring and survey, and hydrographic surveys. A key achievement in 2015 was the establishment of the Climate Change and Disaster Risk Management Working Group to plan an integrated approach to climate change and disaster risk management across SPC.

68. The Strategy for Resilient Development in the Pacific (SRDP) has been in the making for over two years. The Pacific Forum Leaders Meeting in September 2015 did not progress to a decision on the approval of the SRDP, and extended the two existing regional frameworks for climate change and disaster risk management (DRM) for one year. The Pacific Forum Leaders gave no direction as to how to progress the SRDP in the coming year, and raised some specific concerns about its current form, including the proposed integration of DRM and climate change, given the importance of both issues; the potential impact of an endorsed SRDP on the Pacific's negotiating position at COP21; and the proposal to locate the SRDP support unit at PIFS. The view was expressed that a stronger case needs to be made for why the SRDP is being identified as a Forum issue. COP21 is generating a political climate in which some Pacific countries, such as Tuvalu, are taking strong political positions on climate change.
69. SPC has taken a lead role in the Pacific Roadmap Process, to develop a strategy for climate change and DRM. The European Union has provided significant funding through the EDF10 ACP-EU/SPC project: Building Safety and Resilience in the Pacific. In addition, SPC has provided core funding for the Advisor, Climate Change and DRM Policy position, with support from the Deputy Director of the Disaster Reduction Programme, to provide advice, coordination, drafting and development support for the SRDP. Members may wish to be updated on the progress as well as outcomes achieved by SPC in relation to the delivery of the SRDP during 2015. CRGA's support is requested to enable SPC to continue its role in the development of the SRDP. Such support will reaffirm SPC's role in relation to the SRDP process and provide strong recognition for the roles of other agencies and the region.
70. The SRDP situation has, again, highlighted the challenges of CROP agencies failing to work together for the benefit of the wider region, as discussed above.
71. GSD has been very effective in mobilising resources and working closely with other agencies. Selected highlights this year include the following:
- USD 90 million regional environmental protection programme over five years – 'Ridge to Reef' – with the Global Environmental Fund, focusing on environmental health of water catchments and the reef.
 - USD 43 million World Bank PREP Programme Stage 1 in Republic of Marshall Islands (RMI), Samoa, Tonga and Vanuatu, to reduce the impact of disasters and climate change on critical infrastructure, national economies and communities.
 - Application of drone technology to undertake rapid aerial surveys for a range of applications, including disaster assessment, land mapping, urban development, coastal processes and mineral exploration.
 - A new USAID USD 5 million programme, 'Institutional Strengthening to PICTs for Climate Change Adaptation', in Federated States of Micronesia (FSM) Fiji, Kiribati, Palau, Samoa, Solomon Islands, Tuvalu and Vanuatu).

Land Resources Division (LRD)

72. The Land Resources Division is supporting agricultural livelihoods in the Pacific, with research as well as technical, scientific and policy advice, to improve food security, increase trade and assist Pacific communities to manage their agricultural and forest resources in a sustainable way. The division's work areas include genetic resources development, plant and animal health, crop production, agricultural trade, agricultural policy development and planning, and sustainable land, agriculture and forestry resources development and management. All of these technical

services continue to make critical impacts at the country level in agriculture, forestry and livestock.

73. A highlight for LRD was the successful side event on food security and organic agriculture, held at the Third International Conference on Small Island Developing States (SIDS), held in Apia, Samoa, in 2014. In 2015 LRD continues to implement four key EU/SPC projects in the areas of increased agricultural commodity trade (the Increasing Agricultural Commodity Trade – IACT – project), agriculture policy development through the Pacific Agriculture Policy Project (PAPP), development of opportunities in horticultural and sugar markets, and farmer assistance (the Improving Key Services to Agriculture – IKSA – project), and reforestation (Reforest Fiji). A number of other funded projects are also progressing well for LRD in the areas of organics, biosecurity and trade facilitation, plant and animal genetic resources, integrated crop and pest management, soil health, forestry, and land management services, while LRD contributes to SPC-wide efforts in the flagship topics of food security and NCDs, and climate change and disaster risk management.
74. LRD is currently undergoing an independent external review to assess its performance and determine its 'fitness for purpose'. Findings from the review will inform future LRD priorities, resource requirements and management options. It is likely that changes to the LRD focus and form will take place in 2016.

Economic Development Division (EDD)

75. The Economic Development Division provides technical, scientific and policy support to members, in the transport and energy sectors. EDD is largely funded from projects, which reflects the division's ongoing success in resource mobilisation and relationship management. The division's focus is on setting and maintaining standards in shipping and energy, as well as in assisting members to comply with international agreements.
76. Some recent highlights in the Transport and Energy programmes are as follows:
 - Ten PICTs were supported to improve transport standards and practices in their Maritime Transport Designated Authority and Ports, to maintain compliance with the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers (STCW), and the International Ship and Port Facility Security (ISPS) Code. This was supported by the Transport Audit programme, which undertook Designated Authority, Port, STCW, International Safety Management (ISM) Code and standard operating practice (SOP) audits for Cook Islands, Kiribati, Marshall Islands, Palau, PNG, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu.
 - Technical assistance was provided by EDD's Transport programme to review maritime and transport policies and legislation in Nauru, Solomon Islands, Tonga and Vanuatu. Draft policies and legislation have been submitted for national endorsement by the relevant national authorities.
 - Increased maritime personnel capacity and skills: 97 maritime personnel were trained in domestic ship safety, port safety and security and maritime SOP. These skills are anticipated to assist PICTs in improving their maritime operations and to ensure continued compliance with relevant international agreements and codes.
 - Improved PICT flag state responsibilities: EDD, in partnership with the International Maritime Organization (IMO), hosted some key events in 2015 to assist PICTs to better fulfil their responsibilities as flag states. These included the Domestic Ferry Safety Forum, IMO Member State Audit Scheme (IMSAS) Workshop and the Maritime Transport Policy

Workshop. Other meetings supported by EDD to raise the profile of transport were the Heads of Transport Officials meeting, Central Pacific Shipping Commission (CPSC) meeting and the annual meetings for the maritime transport associations.

- Increasing access to energy: At the national level, the North Pacific ACP (African, Caribbean and Pacific) Renewable Energy and Energy Efficiency Project (North-REP) has improved access to energy in the region, including: in FSM, increased access to electricity for schools by 48.4%, and for health centres by 35.7%, and increased access to electricity to households by 7.7%; increased access to electricity to RMI's outer islands population by 29%, resulting in RMI achieving its national energy policy target of 95% by 2015; and demonstrated a replicable approach to reducing electricity consumption by 10% in Palau, through the involvement of a development bank and enhanced ownership by the participating public, which is currently being replicated in Tonga and Tuvalu. The Melanesian Million Miracle (M3P) Project supported the establishment of women-owned and operated solar lights and charging station micro-enterprise initiatives in villages in PNG, Solomon Islands and Vanuatu, allowing access to solar electricity for 3,600 people.
- Fuel regulation and pricing review reports were presented for national endorsement in Cook Islands, Kiribati and Tonga. Minimum energy performance standards and labelling legislation were reviewed and submitted for government endorsement in Kiribati, Samoa, Tonga and Vanuatu.
- Improved energy data: The establishment of the Pacific Regional Data Repository (PRDR) SE4ALL portal by SPC as a central repository for all energy data and information in the region, supported increased access to energy data and information in the region. Pacific energy ministers have endorsed SPC to be the permanent host of the PRDR.

77. EDD's priorities for 2016 include the following:

- The Pacific Islands Maritime Conference (PIMC) will be a merger of the four regional associations of Pacific Maritime Association (PACMA), Pacific Maritime Transport Alliance (PMTA), Pacific Islands Maritime Law Association (PIMLA) and the Pacific Islands Shipowners Association (PISA). This conference is anticipated to be launched and fully operational in 2016.
- SPC has been endorsed as the hub for and host of the Pacific Centre for Renewable Energy and Energy Efficiency (PCREEE), in cooperation with PIFS, the Pacific Power Association (PPA), the Secretariat of the Pacific Regional Environment Programme (SPREP) and the University of the South Pacific (USP). PCREEE is expected to be fully operational by 2016.
- The Petroleum Pricing Manual was launched at the Heads of Energy Officials meeting in September 2015. This will be an ongoing reference publication in 2016.
- European Union Projects: The Micro Projects Program (MPP), Rural Access Roads and Associated Infrastructure (RARAI) and Pacific Technical and Vocational Education and Training on Sustainable Energy and Climate Change Adaptation Project (PacTVET) have completed their inception phases, and their respective reports endorsed the steering committees in 2015. It is anticipated that these projects will be fully operational in 2016.

Public Health Division (PHD)

78. SPC withdrew from its role as Principal Recipient (PR) for the Pacific with the Global Fund to Fight AIDS, Tuberculosis and Malaria (GF). Despite significant improvements made by SPC to the financial management and reporting with its own money, the demands from the GF were unrealistic, posing considerable financial and reputational risks to SPC. I wish to stress that the

business models adopted and practised by global financial institutions place SIDS at a considerable disadvantage.

79. PHD staff continue to support a streamlined regional architecture for health, resulting in a successful meeting of health ministers, reaffirming a commitment to 'Healthy Islands' as a vision for improving health in the region. The division also received financial support from the Government of Australia for the implementation of PHD's strategic plan, 'Healthy Islands Healthy People 2013–2022'. Staff also provided surveillance and outbreak response support immediately following tropical cyclone Pam, at the request of the Vanuatu government. Similarly, PHD staff provided support to CNMI at the request of the government following typhoon Soudelor. Technical staff also provided mass gathering surveillance at the request by the Government of Samoa for the Commonwealth Youth Games and to the Government of Guam planning for the 12th Festival of Pacific Arts.
80. PHD staff have contributed substantially to the prevention and control of NCDs in a number areas, including the implementation of the NCD Roadmap, Tobacco Free Pacific 2025, and planning for the 2016 Pacific Regional NCD Summit, with the United Nations Development Programme (UNDP) and the World Diabetes Federation, to be held in Tonga. PHD also led the NCD and Food Security Working Group within SPC to plan and coordinate an SPC-wide approach to NCDs and food security.
81. The division is making good progress in refocusing its work on support to members on core public health functions, after a period dominated by financial management demands for the GF. SPC intends to relocate some of its PHD staff to Suva, Fiji, to enable the more effective and efficient deployment of skills, and to improve working relationships with Suva-based stakeholders.

Fisheries, Aquaculture and Marine Ecosystems (FAME)

82. The Fisheries, Aquaculture and Marine Ecosystems Division provides scientific and technical support to SPC members for both oceanic and coastal fisheries. A key activity in 2015 was the development and agreement of the 'New Song for Coastal Fisheries – Pathways to Change'. The Noumea Strategy has been approved by ministers of fisheries. In 2016 FAME will facilitate the implementation of the 'New Song' framework at the national level, which will aim to engage and empower communities in the management of their coastal fisheries resources to sustain community food security, nutrition supply and livelihoods. SPC is seeking resources to strengthen the coastal fisheries programme as a critical component of SPC's support for food security and the prevention of NCDs in the region. FAME staff conducted several training support sessions for members, in fisheries development, aquaculture and coastal fisheries science management.
83. SPC's Oceanic Fisheries Programme (OFP) staff will contribute to the taskforce established by the Forum Leaders in 2015, to obtain better value from the tuna resource in the region. This work will determine future management approaches to improve the return to PICTs from the tuna catch. This work is based on the Future of Fisheries Roadmap developed by the Pacific Islands Forum Fisheries Agency (FFA) and SPC. OFP staff will continue to provide support to members on stock assessment and modelling, fishery monitoring, data management and ecosystem monitoring and analysis.

Statistics for Development (SDD)

84. Following the successful completion in 2014 of Phase 1 of the Ten Year Pacific Statistics Strategy, a new multi-year Strategic Action plan 2015–2017 was developed, which sets out SDD’s strategic priority objectives and associated country and regional activities to take place during the second phase of the activities of the strategy between 2015 and 2017. SDD’s strategic objectives are fully aligned with those developed by an independent design team guiding the work by all technical and financial partners committed to the implementation of the Ten Year strategy. The objectives also address the priority strategic objectives and development outcomes envisaged by SPC’s new –Strategic Plan, including aligning SDD’s results framework with SPC’s Strategic Plan and indicative Strategic Results Framework.
85. Highlights from 2015, and plans for 2016, include the following:
- Development of a core set of population and housing census modules that were recently reviewed by and agreed with Pacific Heads of national statistics offices (NSOs) and census commissioners, which will allow all Pacific Island countries to collect quality and truly comparable core demographic, economic and social statistics during the upcoming 2020 World Round of Population Censuses.
 - Development of a Pacific Household Economic survey methodology (and questionnaire), with the same purpose, which has already been successfully implemented in FSM, Nauru, Palau and Solomon Islands in 2014–2015, with Cook Islands, Niue, Tokelau, Tonga and Tuvalu currently adopting the same approach extending into 2016.
 - Establishment of a regional technical support facility for Education Management Information Systems, with financial support from Australia, with the goal of dramatically improving the collection of education statistics and indicators over the next two years, and thus providing a factual basis for monitoring development progress and key education outcomes.
 - Continued efforts to strengthen civil registration and vital statistics across all countries, with a particular focus on the smallest Pacific SIDS and across most of Micronesia, with stepped-up efforts envisaged in 2016–2017 in Kiribati, PNG, Solomon Islands and Vanuatu.
 - Economic statistics: Good progress was made with international trade statistics, business registers and prices, through professional attachments in Noumea, and South-South technical collaboration between Pacific NSOs.
 - Vast improvements in data access were achieved through SPC’s National Minimum Development Indicator (NMDI) database, providing access to more than 200 development indicators across 15 thematic areas.
 - Assisting national statistical systems to prepare PICs for data collection and monitoring requirements for the 2016–2030 SDGs, through developing a core set of Pacific regional headline SDG indicators, in collaboration with key CROP agencies.

Social Development Division

Gender, Culture and Youth

86. The Gender, Culture and Youth team replaced the former Human Development Programme at the beginning of the year, and is one of the two sections that make up the new Social Development Division.

87. One of the highlights of the Gender programme was the completion and launch of the Pacific report on the review of 20 years of implementation of the Beijing Platform for Action, which was launched in New York at the 59th Session of the Commission on the Status of Women. Alongside this global review for the Pacific, the review of the Revised Pacific Platform for Action on the Advancement of Women and Gender Equality was also conducted. Technical and advisory support and capacity development for PICTs in mainstreaming gender and gender statistics also continued to be provided. The Gender programme's work was assisted by the Government of Australia (through the Progressing Gender Equality in the Pacific – PGEP – Project). Some of the achievements of the programme are listed below:
- Additional PICTs have completed the stocktake of the capacity of their governments in mainstreaming gender (Fiji and Nauru).
 - Eight PICTs have developed a work plan detailing a strategy to support their governments' enabling environments for mainstreaming gender (Cook Islands, Kiribati, Nauru, Niue, Palau, RMI, Samoa and Tonga).
 - Five PICTs have reviewed and/or developed their national gender policies (Kiribati, Palau, RMI, Samoa and Solomon Islands).
 - Eight PICTs have enhanced their capacities to produce gender and human rights statistics (Cook Islands, FSM, Kiribati, Palau, RMI, Samoa, Solomon Islands and Tuvalu).
 - Three PICTs have developed a gender profile (Cook Islands, RMI and Solomon Islands).
 - Six PICTs have enhanced their knowledge of the gender mainstreaming approach (FSM, New Caledonia, Palau, RMI, Solomon Islands and Tuvalu).
88. In line with the mainstreaming work at the national level, and the direction of programming in SPC, the Gender programme also provided technical support to other SPC divisions in supporting their efforts to mainstream gender and to build the capacity of their partners to do so. The main focus was delivering gender mainstreaming training in the areas of aquaculture and climate change, in the context of food security.
89. The Culture programme focused on four major areas of work: preparations for the 12th Festival of Pacific Arts, taking place in Guam in May/June 2016; support for the continued expansion of the cultural industries; the conduct of a mapping exercise for the film sector; and the Review of the Regional Culture Strategy: Investing in Pacific Cultures 2010–2020. Work undertaken for the festival preparations included an in-country visit, liaising with participating countries, assisting with the development of newsletters and regular communications, advising on programming and events, and collaborating with other SPC sections, such as the Public Health Division, the biosecurity programme and Pacific Way, to provide technical support for these major regional events. The cultural industries work involved ongoing collaboration with the ministries responsible for culture in Fiji, Samoa and Solomon Islands, to map and implement national strategic frameworks for the cultural industries. This work was delivered in partnership with PIFS, and is being funded by the EU and the ACP Secretariat. Supplementing this work, SPC, with Commonwealth Foundation assistance, commissioned a film sector mapping of the region, with a view to increasing Pacific Islands' capabilities in film production. The Regional Culture Strategy is at its mid-point, and the review of the strategy is underway.
90. The Youth programme was moved from SEPPF to the Social Development Division at the beginning of the year. The main focus for Youth was the development of a new youth programme, structured around the Pacific Youth Development Framework (PYDF). The PYDF has now been finalised and was launched on International Youth Day, on 12 August. A Pacific Regional Youth Think Tank has been established as a partnership of agencies and youth networks working

collaboratively to guide the regional coordination of the PYDF. Work continues in terms of providing support for youth engagement in development, and this is realised through the Pacific Youth Council Secretariat that is currently hosted by SPC's Youth section in Suva. Technical and advisory support has been provided for the High-Level Dialogue on Building Resilience of Pacific Communities through Youth-centred Development. The division is also planning its support to several countries in the area of national youth policies, and has developed regional youth and agriculture policy guidance.

Regional Rights Resource Team (RRRT)

91. The Regional Rights Resource Team provides support to members to progress human rights awareness, legislation and policies. In 2014 domestic violence laws supporting civil rights were passed and enacted in Kiribati, Solomon Islands, Tonga and Tuvalu. While an excellent achievement for these countries, the emphasis for these and other PICTs now lies in implementation, and in making laws accessible and a reality for all citizens. In 2015 RRRT staff drafted a Family Bill for Niue and a Domestic Violence Bill for Nauru.
92. RRRT staff supported a range of other activities. The Regional Members of Parliament Consultation on Advancing Human Rights Based Legislative Change was held in Auckland, New Zealand, in partnership with the Asia Pacific Forum, UN Women, and the Australian Human Rights Commission. Only two of the 19 participants were women (one of these was a clerk to the Legislative Assembly). The main objective of the consultation was to provide up-to-date information on topical and emerging human rights issues, thereby providing the platform upon which to discuss the roles and responsibilities of members of parliament in addressing these issues. The event also gave the participants the opportunity to identify and discuss the challenges faced by vulnerable groups in the protection and fulfilment of their rights, and to gain a better understanding of the core human rights conventions. The key human rights issues discussed included violence against women, HIV and human rights, disability rights, sexual and reproductive health and rights, and climate change.
93. In Kiribati, the programme brought together over 150 lay magistrates to learn about, and share experiences on, human rights issues relevant to women, children and persons with disabilities in respect of their access to court services. The event also provided an important platform for the magistrates to be provided with updates on significant laws that were passed since the first Judicial Conference held in 2011, and also of important laws that were upcoming, including the Family Peace Act. This activity was extended to Vanuatu this year.
94. RRRT also provided support to countries, with technical assistance in generating their Universal Periodic Review (UPR) reports, working with civil society for the development and submission of stakeholder reports, and mock sessions for reviews of the Human Rights Council.

Educational Quality and Assessment Programme (EQAP) – (formerly the Secretariat of the Pacific Bureau for Educational Assessment/Quality [SPBEA/Q])

95. A new director was appointed to EQAP during 2015. This has greatly assisted the leadership and management of EQAP, following an extended period of changes associated with the merger between SPBEA/Q and SPC. The merger has been difficult for staff, due to the ongoing uncertainties about the programme's appropriate location within SPC. Due to the unique functions of EQAP, it was decided that it remains a stand-alone unit within the Director-General's office, and the EQAP Advisory Committee is to become a standing CRGA/Conference committee,

in order to discharge its responsibilities as an accreditation entity for educational qualifications. A separate submission on this matter is made in paper 5.

96. EQAP has gone through considerable change in 2015. From an operational standpoint, EQAP has been expanding its work in the areas of outcomes-based education, and teacher competencies and leadership standards as they relate to educational quality. The Pacific Benchmarking for Education Results (PaBER) project has been moving forward as a pilot in three countries, and the work of the past two years has come together in this third year of the project. The Literacy and Numeracy project has evolved, with New Zealand having provided funding for a regional assessment activity, including for the second administration of the Pacific Islands Literacy and Numeracy Assessment (PILNA) in the latter part of 2015. New Zealand is also funding work towards making PILNA a valuable and sustainable part of addressing literacy and numeracy issues across the region. The Pacific Register of Qualifications and Standards is growing, and is contributing to the recognition of credentials and labour mobility.

Solomon Islands Country Office

97. The Solomon Islands Country Office provides a vital link with the third-most populous member of SPC by developing and maintaining effective relationships with the political leaders and senior officials of the Solomon Islands government. The manager and staff of the office have initiated several innovative programmes and projects, including:
- Youth@Work: The successful Youth@Work programme, funded by the Australian government, has provided employment and training to over 2000 unemployed and disenfranchised youth since 2013. In 2015, 600 youth in Honiara undertook a rigorous one-month training programme, and were placed in internships in the public and private sector, with another 5000 given entrepreneurial assistance to start their own businesses through the Young Entrepreneurship Programme (YEP) and the monthly Youth Market. A new component to mainstream youth with disabilities – Youth@Work PLUS – started in 2015, funded by PLAN international under Australia’s Department of Foreign Affairs and Trade (DFAT). Youth@Work PLUS has employed 25 urban youth and trained 12 rural disabled youth in organic farming, and provided micro-finance for youth to establish new farms in their home villages. In Choiseul Province 100 Youth were supported to find work and to start their own businesses, and in 2016 Australia is funding expansion of the programme to Malaita province. Youth@Work has been awarded a four-year GBP 1 million grant by the Queen’s Young Leader’s Programme, under the Diamond Jubilee Trust for 2016–2020.
 - Solomon Islands Country Office has assisted the Solomon Islands Ministry of Lands to address a growing national priority of land management and urbanisation by assisting with the provision of high-level technical expertise, including for: a new urban planning scheme, a review of the Ministry of Lands with possible reform to make it ‘fit-for-purpose’; and support in upskilling the Ministry of Lands to subdivide and provide fixed-term estate title to squatters in Honiara, in order to legalise vast squatter settlements that often have no power or water, or legal rights. This work has been supported by Australia.
 - Solomon Islands has a draft national policy on deep sea minerals, and a legislation gap study was completed by GSD under the EU-funded Deep Sea Minerals Project. A full institutional review of the Ministry of Mines was also undertaken by GSD in 2015, at the request of the ministry. GSD is also assisting Solomon Islands to complete not-yet-deposited maritime boundaries, and is working closely with the FFA to assist it to get

better access to deposited maritime boundaries, with member state agreement, in order to better monitor fishing activities by foreign fleets.

- In collaboration with GIZ, FAME has installed six new fish aggregating devices (FADs) in Choiseul province, and provided training to villagers to fish using FADs to strengthen food security. Electronic monitoring of tuna on longline vessels has been successfully piloted, and proven, in the Solomon Islands, paving the way for the rest of the Pacific to access this new technology to control illegal fishing and to sustainably manage tuna stocks. The Ministry of Fisheries has been assisted in 2015 with its longline policy, including tuna stock monitoring, data entry, analysis and reporting. In 2016 SPC will be increasing its support for coastal fisheries, promoting enhanced food security, in Temotu and Malaita provinces, which were affected by tropical cyclone Pam, using youth as leaders of development under German Bank KfW funding.
- The Public Health Programme has supported the NCD Warrior Team of youth, working in Honiara's schools, to support the Ministry of Health's 'Healthy Schools and National Nutrition' policies, to reduce NCDs. PHD continues to assist the Ministry of Health and the police with alcohol legislation reform and tax initiatives, to curb high levels of alcohol abuse and the resulting health and social issues. Fruit@Work is a new initiative of the Public Health Division, to assist youth to franchise healthy fresh fruit sales in Honiara, through stalls and bike delivery of fresh fruit, to promote *lokal kaikai* and healthier snacks among business and government workers.

The North Pacific Regional Office

98. The North Pacific Regional Office (NRPO) provides support for and coordinates SPC's activities in CNMI, FSM, Palau and RMI. Since the establishment of the office, SPC has developed and maintained excellent relationships with SPC members in the north Pacific. Staff based in the NRPO work closely with visiting SPC staff, and most of the activities are reported through SPC's divisions. Activities coordinated by the NPRO include:
- the handover of the completion of the North-REP Projects by SPC and the UE to FSM, Palau and the RMI;
 - SPC technical assistance to north Pacific members in the areas of health (CNMI), agriculture and coastal marine environments (FSM), and the provision of water tanks in FSM, Palau and RMI;
 - technical assistance, training and assistance in boundaries delimitation and negotiations, and in drafting deep sea mining legislation;
 - preparation of a Maritime Transport Study for the Japan International Cooperation Agency (JICA) for all freely associated states (FSM, Palau and RMI);
 - assistance to members to receive Green Climate Fund funding; and
 - work with members on arrears and contributions, with interim understandings reached with CNMI and FSM.
99. North Pacific region members are continuously looking for SPC to partner more closely with them, including in serving as secretariat to some of its established organisations. Secretariat responsibilities to be undertaken by SPC may include the Micronesia Chief Executive Summit and the Micronesia Shipping Commission.
100. SPC is currently reviewing its country and regional offices to determine the best arrangement for enhancing SPC's presence and work in member countries and territories.

Conclusions

101. In 2015 SPC continued to consolidate its position as the principal scientific and technical organisation supporting development in the Pacific region. The development of the Pacific Community Strategic Plan 2016–2020 was a key activity, which was driven by the CRGA subcommittee, and completed with the active participation staff, development partners and other stakeholders. The Strategic Plan will guide the work of SPC over the next five years. A major challenge for the Pacific Community relates to the need to secure the necessary resources in order to implement the Strategic Plan. The plan advocates prioritising SPC's work and allocating its resources strategically, including alignment with members' development priorities, the development of SPC's 'areas of excellence', enhanced engagement of members in SPC's work, and better country presence. It also outlines a focus on reporting on results and the impact of SPC's work.
102. An immediate issue in 2015 was the need to balance the budget for the year. Despite a balanced budget approved by CRGA 44 in November 2014, 2015 began with a significant budget deficit due, in large part, to exchange rate fluctuations and a decline in the value of the Australian dollar. This situation has compounded SPC's fragile financial situation, and a similar deficit is expected in 2017. The projected budget deficit in 2016, of 1.1 million CFP Units, has been averted by means of a concerted and shared effort to rationalise internal expenditure. This voluntary reduction in planned activities and recruitments, by divisions and OMD, illustrates a significant commitment by all parts of the secretariat in 2016 to financial responsibility. While the estimated 2016 budget gap has been met through internal savings, this does not provide SPC with sufficient funds to implement the Strategic Plan. Accordingly, it is important for members with outstanding arrears to honour these commitments. The secretariat will develop a new financing regime for approval at CRGA 46 in 2016.
103. The recruitment, retention and professional development of staff at SPC has been improved, but there is room for further improvement. A critical area relates to the CROP harmonisation process, whereby SPC staff remain at a disadvantage relative to staff in other CROP agencies, despite having generally greater staff supervision responsibilities and a wider range of work areas. SPC needs to continue to develop non-financial means of recognising and rewarding staff. Failure to address these matters will mean that SPC remains at a disadvantage in the international labour market, and will compromise SPC's ability to remain at the forefront of scientific and technical endeavour.
104. The Pacific Community will need to continue to improve its efforts at communicating its achievements and enhancing its visibility as the principal scientific and technical development organisation in the region. This requires further investment in the organisation's website, image and 'brand', with better coordination and communication of its scientific and technical publications and its many activities with member countries and territories.

Recommendations

105. CRGA is invited to:
 - i. acknowledge the Pacific Community's (SPC's) achievements in 2015;
 - ii. note progress on the SPC 'Change Agenda', including the new 'headline' structure;

- iii. direct the secretariat to participate actively in the CROP Governance and Finance Review;
 - iv. approve the secretariat's efforts to enhance SPC's outreach, visibility and partnerships, and mandate the secretariat to continue these efforts;
 - v. endorse the secretariat's initiative to clearly identify priority areas of work and to focus resources accordingly, in line with the Pacific Community Strategic Plan 2016–2020;
 - vi. provide guidance, as appropriate, to the secretariat on the key challenges facing SPC in terms of governance, partnerships, regional architecture and CROP agency coherence;
 - vii. note the fragile financial situation of SPC, approve the objective of increasing core funding to around 35% of the total budget and agree on exploring opportunities for cost-sharing on specific services and resource mobilisation in general;
 - viii. note that the secretariat has determined that the organisation should revert to using its formal name 'the *Pacific Community*' ('*la Communauté du Pacifique*'), adopted by the 37th South Pacific Conference in 1997 to replace 'the South Pacific Commission', and reaffirmed by Resolution of the 8th Conference of the Pacific Community. This will rectify the informal practice of referring to the organisation as 'the Secretariat of the Pacific Community', which has developed over past years. Note also that the Pacific Community ('*la Communauté du Pacifique*') refers to members and the secretariat as a whole, as does the abbreviation, 'SPC' ('CPS');
 - ix. note the updated Pacific Community logo and associated visual identity.
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