



SPC/CRGA 45 (15)

Paper 3
ORIGINAL: ENGLISH

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

AGENDA ITEM 3 - GOVERNANCE REVIEW: IMPLEMENTATION OF RECOMMENDATIONS

(Paper presented by the secretariat)

Summary

1. This paper provides an update to CRGA on the implementation of the recommendations of the Governance Review conducted in 2014.
2. The secretariat has fully implemented four of the nine recommendations and partially implemented two. Work is in progress on the three remaining recommendations, although there are constraints to their full implementation.

Recommendations

3. CRGA is invited to:
 - i. acknowledge continued progress in implementing the recommendations of the Governance Review and the constraints to the full implementation of some recommendations;
 - ii. urge members to provide an update on the principle of continuity of representation at CRGA;
 - iii. agree to the convening of CRGA 46 in June 2016.
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GOVERNANCE REVIEW: IMPLEMENTATION OF RECOMMENDATIONS

Purpose

1. This paper provides an update to members on implementation of the decisions made last year by CRGA 44, following the 2014 review of the governance of the Pacific Community. It also notes some of the constraints to full implementation.

Background

2. Following their discussion of how SPC's governance processes could be strengthened, CRGA 43 and the 8th Conference (2013) mandated the secretariat to 'commission a review of these processes in 2014 with the findings and recommendations of the review to be presented to CRGA 44'. The review was funded by Australia.
3. The review was steered by a Governance Working Group, composed of representatives from 10 SPC members – Australia, Federated States of Micronesia, Fiji, France, French Polynesia, New Caledonia, New Zealand, Niue, Solomon Islands and the United States of America – and senior staff of the secretariat.
4. At CRGA 44 in November 2014, Pacific Community members agreed to nine overarching recommendations resulting from this review. The secretariat was then mandated to implement the recommendations, noting that one recommendation required action by members.

Update

5. Since November 2014, the secretariat has fully implemented four recommendations and partially implemented two. Work is in progress on the three remaining recommendations. Resource constraints have contributed to progress being slower than expected. For example, the secretariat had hoped to bring members together for a workshop on improving the effectiveness of CRGA, including analysing the roles and responsibilities of participants, but lacked the budget to do this. The table below summarises the current status of the recommendations. Further details on implementation are given in Annex A.

Full implementation	Partial implementation	Work in progress
<p>2. Adjust time and location of CRGA meetings</p> <p>4. Clarify role of the Conference of the Pacific Community</p> <p>6. Increase scope of Audit and Risk Committee to include budget and major assets acquisitions</p>	<p>3. Provide support to the Chair of CRGA and the Director-General</p> <p>9. Initiate a more substantive debate about streamlining regional meetings and regional mechanisms</p>	<p>1. Improve effectiveness of CRGA</p> <p>5. Increase member engagement through limited time-bound working groups or subcommittees</p>

7. Subcommittee for Strategic Plan		8. Continue the SPC Governance Review Subcommittee
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6. A specific recommendation to improve the effectiveness of CRGA required particular attention from members. According to their decision (1c), members agreed to: 'adopt a principle of continuity of representation. Members will seek to retain the same representatives over a period of time (recommended three years) to allow continuity of perspectives and experience. Each member will also seek to ensure there are at least two representatives involved. These representatives are to be determined by each member.' As such, the secretariat itself is unable to implement the decision, but reiterates its importance.
7. A preliminary draft of the terms of reference for CRGA has been developed and will require substantial consultation. It is anticipated that at the first induction, to be held prior to CRGA 46 in June 2016, the terms of reference (TOR) will be refined after discussion of the details.

Recommendations

8. CRGA is invited to:
 - i. acknowledge continued progress in implementing the recommendations of the Governance Review and the constraints to the full implementation of some recommendations;
 - ii. urge members to provide an update on the principle of continuity of representation at CRGA;
 - iii. agree to the convening of CRGA 46 in June 2016.
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Annex A: ACTION ON RECOMMENDATIONS OF GOVERNANCE REVIEW

Context	CRGA 44 decisions	Implementation status as at 30 August 2015	Responsible officer
AGENDA ITEM 3 – GOVERNANCE REVIEW			
<p>CRGA 43 and the 8th Conference directed the secretariat to commission a review of its governance processes in 2014, with the findings and recommendations of the review to be presented to CRGA 44. The review was steered by a Governance Working Group comprising representatives from the secretariat and 11 member countries and territories: Australia, Fiji, Federated States of Micronesia (FSM), France, French Polynesia, New Caledonia, New Zealand, Niue, Republic of the Marshall Islands (RMI), Solomon Islands and the United States of America. The outcome of the review was discussed with the whole membership at a Special Session of CRGA on 4 November 2014, which acknowledged the dedicated efforts of the Working Group, and presented the following recommendations for improved governance of SPC for CRGA approval.</p>	<p>CRGA (44) agreed to:</p> <p>A. REFORMS TO CURRENT GOVERNANCE ARRANGEMENTS</p> <p>1. Improve the effectiveness of CRGA</p>		
	<p>a. Develop clear terms of reference (TOR) for CRGA including level of authority, standing orders, meeting processes, and structure of recommendations and to also include:</p> <p style="margin-left: 40px;">i. TOR for the Chair of CRGA; and</p> <p style="margin-left: 40px;">ii. guidance for members in selection of representatives.</p>	<p>In draft (Annex B); will be further refined following CRGA 45</p>	<p>Director-General, with Chief of Staff and Director Strategic Engagement, Policy and Planning Facility (SEPPF)</p>
	<p>b. Institute induction for members, to be facilitated by an external consultant, expected before the November 2015 CRGA meeting (to avoid additional travel costs), to be repeated on an ‘as needed’ basis for new members.</p>		<p>Not possible due to budgetary constraints</p>
	<p>c. Adopt a principle of continuity of representation. Members will seek to retain the same representatives over a period of time (recommended three years) to allow continuity of perspectives and experience. Each member will also seek to ensure there are at least two representatives involved. These representatives are to be determined by each member. SPC will cover the costs for one representative from each Pacific Island member country or territory</p>	<p>Members to implement</p>	<p>Member focal points</p>

	to attend CRGA/Conference.		
	d. Ensure all papers are provided a minimum of 10 working days before CRGA. Papers provided by the secretariat should clearly request decisions rather than simply ask for agreement or noting of recommendations.	Work in progress	SPC Senior Leadership Team
	e. Introduce a decision tracking system to monitor implementation of CRGA decisions; this will also enable the secretariat to regularly report to members.	There is an established system for tracking implementation of CRGA decisions, with status presented regularly to the Senior Leadership Team at their meetings	Chief of Staff
	f. During CRGA, allow time for delegates to assess and rate CRGA's performance and suggest improvements.	Standing agenda item for CRGA meetings	
	g. Support CRGA via a dedicated (part-time) staff member allocated to the purpose.	This is a Key Result Area for the Chief of Staff	Chief of Staff
	2. Adjust times and location of CRGA meetings		
	a. Continue annual CRGA meetings but align meeting times with SPC's financial year so reports are more relevant and timely. As the financial year ends 31 December, move CRGA meetings to May or June (at times that suit members and the timing of other regional meetings), commencing 2016. Given the new timing for CRGA, CRGA will approve a revised budget for the current year as well as a budget outlook for the following two years (e.g. CRGA 46, to be held in May/June 2016, will approve a revised budget for 2016, as well as a budget outlook for 2017–2018).	From 2016 meetings will be convened in June of each year.	Director-General and Management Advisory Group (MAG)
	b. Shorten the CRGA meeting to two days commencing November 2015.	In progress for November 2015	All
	c. Adjust the location of CRGA meetings.	Requires further work and discussion, and a decision by Conference	Director-General and Deputy Director-General, Operations and Management
	ii) In years where the Conference is also held, countries have the opportunity to host the meeting provided they cover the additional costs to		

	<p>SPC, including the costs of hosting CRGA.</p> <p>If no member offers to host the Conference, it will take place in either Noumea at the headquarters of the organisation, or in Suva.</p>		
	<p>3. Provide specific support to the Chair of CRGA and the Director-General</p> <p>a. Arrange specific induction and training for the Chair.</p> <p>b. Establish a troika of Chairs (past, present and future) with clear TOR to have quarterly meetings with the Director-General (teleconference), engage with the broader membership on SPC developments and promote the work of SPC through media, launches, etc. The positions of past, present and future Chair will continue to be held for periods of one year rotating in alphabetical order through all CRGA members.</p>	<p>An induction programme will commence in October 2015 with the Chair of CRGA 45</p> <p>To be further explored with clear TOR developed and presented to CRGA 46</p>	<p>Director-General and Chief of Staff</p>
	<p>4. Clarify the role of the Conference of the Pacific Community</p> <p>a. Clarify the TOR of the Conference:</p> <p>i. To appoint the Director-General.</p> <p>ii. To consider major regional policy issues and SPC's strategy for addressing them</p> <p>iii. To approve changes to Financial and Staff Regulations approved by CRGA.</p>	<p>As per the agenda of the 9th Conference of the Pacific Community</p>	<p>Director-General and Chief of Staff</p>
	<p style="text-align: center;">USE OF SUBCOMMITTEES</p> <p>5. Increase member engagement through a limited number of time-bound working groups and subcommittees:</p> <p>a) For the purpose of this paper, <i>subcommittee</i> refers to a group established by CRGA to focus on governance issues. A subcommittee may have external representatives if this is acceptable to CRGA. It is envisaged subcommittees will analyse and interrogate issues on behalf of CRGA and will report back to CRGA with recommendations on any significant decisions required. As such, subcommittees will not have executive authority (i.e. they won't be able to make any significant decisions on behalf of CRGA).</p>	<p>A CRGA Subcommittee was established to advise on the new SPC Strategic Plan and has been active throughout 2014.</p> <p>Following the adoption of the Strategic Plan, the Director-General may convene other time-bound working groups to assist with specific strategic governance issues.</p>	<p>Senior Leadership team</p>

	<p><i>Working group</i> refers to a group established by the Director-General to advise on strategic governance issues or other specific issues.</p> <p>b) While recognising other organisations use subcommittees, the Governance Working Group was cautious not to recommend a suite of subcommittees, principally due to concerns relating to cost and effectiveness. Instead the following is proposed:</p>		
	<p>6. Direct the Audit and Risk Committee (ARC) to include a particular focus on advising CRGA on the SPC budget and major asset acquisitions.</p> <p>The ARC was established in 2013 and is an example of CRGA delegating work to independent external expert representatives.</p> <p>a. In addition to designated current activities, this would include:</p> <p>i. Budget: Offering a brief assessment and an opinion for CRGA on the budget papers prepared for CRGA (and any interim budget papers), and if required making specific recommendations.</p> <p>ii. Assets: Providing advice, guidance and recommendations to CRGA, as appropriate, regarding the financial impact of operating costs resulting from major new acquisitions.</p> <p>b. This would reinforce the provision of expert and informed advice to CRGA on key financial issues for which it has responsibility, including financial risk, budget, and major assets.</p> <p>c. This request falls into the current remit of ARC, has no implications for its present composition or meeting arrangements, and is consistent with the ARC Charter.</p>	<p>The ARC has met three times in 2015</p> <p>The scope of its work has been extended to consider the budget, assets and financial risk matters</p> <p>A report from the Chair of ARC will be presented to CRGA</p>	<p>ARC and Chief of Staff to ensure reports fulfil requirements</p>

	<p>7. Establish a subcommittee to focus on the new Corporate Strategic Plan (to be endorsed by CRGA and approved by Conference in November 2015). This subcommittee will be based on constituency representation where possible, and be open to voluntary participation and limited external stakeholders, if required.</p> <p>a. This subcommittee will be established by CRGA 44 in 2014 and initially operate for 12 months. It is envisaged it will meet once face-to-face and up to three times via teleconference. Based on the TOR to be developed, its focus will be to provide oversight, direction, analysis, contestability and advice regarding the secretariat’s development of the new Corporate Strategic Plan (CSP). This will include SPC’s role and approach to development effectiveness.</p> <p>b. This subcommittee (ideally comprising around eight members) and CRGA will determine which constituencies these members will be drawn from and whether external stakeholders (e.g. the European Union) or independent experts may participate. It will also be open to voluntary participation by members.</p> <p>c. CRGA could evaluate whether there may be a longer-term role for such a subcommittee in monitoring the ongoing relevance of the Corporate Strategic Plan or whether this can be done by CRGA itself.</p>	<p>The Strategic Plan Subcommittee was established in April 2015, with the EU invited to participate as a full member</p> <p>The subcommittee had two face to face meetings, one in May and the other in August</p> <p>Their third and final meeting is on 2 November</p> <p>They have been in regular contact with the internal team on the various drafts of the Strategic Plan</p> <p>The subcommittee will recommend the establishment of an on-going subcommittee at CRGA 46 (2016) to monitor the implementation of the Strategic Plan</p>	<p>Director SEPPF</p>
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<p>8. Continue the SPC Governance Review Sub-committee to monitor and evaluate the implementation of the CRGA governance reforms and make recommendations to CRGA and Conference in 2015.</p> <p>a. It is envisaged the Governance Review Sub-committee will meet by teleconference twice during the year, once in May 2015 and again prior to CRGA 2015.</p> <p>b. The Governance Review Sub-committee will look at the extent to which these recommendations have been implemented.</p> <p>c. It will also determine which recommendations should be approved by Conference in 2015.</p> <p>d. It may advise, based on early experience, whether further reforms are necessary.</p>	<p>Unfortunately, due to financial resources and heavy commitments, the secretariat has been unable to convene these meetings</p>	<p>Director SEPPF and Management Advisory Group</p>
<p>PLACING SPC WITHIN A PACIFIC-WIDE ORGANISATIONAL GOVERNANCE CONTEXT</p> <p>9. Initiate a more substantive debate about streamlining regional meetings and regional mechanisms (including CRGA and Conference) and further enhancing the complementarities, efficiency and effectiveness of the CROP (Council of Regional Organisations in the Pacific) system as a whole. This could include:</p> <p>a. Exploring opportunities for efficiency gains in hosting joint/concurrent regional meetings, recognising some adjustments may be necessary to reflect differing memberships. This work should take into account and complement similar initiatives in the Pacific.</p>	<p>This is ongoing and, where possible, the secretariat has participated fully in joint CROP work, such as the Review of the CROP Working Groups; finalisation of the TORs for the review of regional governance and finance, and finalisation of the Strategy for Climate and Disaster Resilient Development in the Pacific (SRDP)</p>	<p>Management Advisory Group and Senior Leadership Team</p>
<p>b. Directing SPC's Director-General to liaise with the Secretary General of the Pacific Islands Forum Secretariat, as CROP Chair, to explore the feasibility of commissioning a joint study on how regional complementarities could be enhanced and regional mechanisms and meetings improved.</p>	<p>As above</p>	<p>Director-General and Director SEPPF</p>

