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COMMITTEE OF REPRESENTATIVES OF GOVERNMENTS AND ADMINISTRATIONS**  
(Alofi, Niue, 31 October–2 November 2015)

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**AGENDA ITEM 9.4 A: COUNCIL OF REGIONAL ORGANISATIONS OF THE PACIFIC (CROP) –  
TRIENNIAL REVIEW 2015**

(Paper presented by the secretariat)

**Summary**

1. This paper presents a series of recommendations to CRGA based on the findings of the CROP Triennial Review 2015 conducted by AON Hewitt.

**Recommendations**

2. CRGA is invited to approve, with effect from 1 January 2016:
    - i. retention of the principle of CROP harmonisation, while endorsing the need to update the guiding principles and strategies to ensure a balance between consistency and flexibility;
    - ii. creation of a separate salary band for the position of SPC Director-General, consistent with the recommendation of the triennial review;
    - iii. provision of bonuses for high performers;
    - iv. establishment of an SPC standing committee on remuneration;
    - v. extension of the reference market for positions advertised internationally to include the United States of America and organisations under the International Civil Service Commission;
    - vi. adoption of the US dollar or the Euro as a new reference currency for SPC operations.
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## **COUNCIL OF REGIONAL ORGANISATIONS OF THE PACIFIC (CROP) – TRIENNIAL REVIEW 2015**

### **Background**

3. Several members of CROP have adopted a ‘harmonised’ approach to their remuneration principles and practices. The CROP participating agencies are:
  - Forum Fisheries Agency (FFA)
  - Pacific Islands Forum Secretariat (PIFS)
  - Pacific Community (SPC)
  - Secretariat of the Pacific Regional Environment Programme (SPREP)
4. To keep up with competitive and changing employment markets globally and regionally, these agencies have adopted a practice of triennial reviews of remuneration principles and practices, including terms and conditions, for positions advertised internationally (PAI). The last triennial review was completed in 2012.
5. The objectives of the triennial review are as follows:
  - To carry out a comprehensive examination of all existing remuneration principles and practices, including terms and conditions, and to make appropriate recommendations to optimise the harmonised remuneration system.
  - To review the extent to which remuneration policies, including terms and conditions, have been harmonised between the participating CROP agencies, and to identify a way forward for the participating CROP agencies, given the different challenges and opportunities that such a diverse set of agencies face.

### **Findings and recommendations of the review**

6. As regards remuneration harmonisation, the triennial review recommends that CROP agencies retain harmonisation, but that they review and update the guiding principles and strategies in order to balance consistency and flexibility.
7. This recommendation underpins the secretariat’s proposals in paper 9.4 B.
8. In relation to the framework for remuneration of CROP CEO positions, the review recommends that agency heads be separated from the general banding structure to create CEO-specific bands, aligned to the size of the organisation and scope of the role.
9. This recommendation provides the basis for the secretariat’s proposals in paper 9.4 C; namely, the Secretariat seeks CRGA’s approval for the creation of an SPC-specific Director-General band. This ‘SPC-DG Band’ would follow the same SPC salary scale rules, using the following range advised by Strategic Pay (CROP provider of salary data and job evaluation methodology):
  - Range: SDR 113,309 (80%) < SDR 141,636 (100%) < SDR 243,660 (120%)
10. The review also recommends that CROP agencies consider the use of bonuses for high performing staff. This is in accordance with current practice in PIFS and SPREP.

11. The secretariat therefore proposes that CRGA allow management to develop a bonus system based on the principle of a capped payment (maximum 15% gross base salary) for high performers who are currently either ineligible for an increase, or under-rewarded under the Performance Management System.
12. The issue of remuneration governance was also included in the triennial review, which recommended the establishment of a joint subcommittee of CROP governing bodies to support and facilitate recommendations and decision-making in relation to implementation of CROP harmonisation.
13. However, given the need to ensure that SPC's governing body retains control over SPC-related remuneration issues, the secretariat proposes that CRGA approve the creation of a remuneration standing committee for SPC. This body, to be made up of a small group of members and assisted by the secretariat, would have the task of examining major remuneration and CROP harmonisation issues, and providing advice to the secretariat, CRGA and Conference when appropriate. If approved, the secretariat will propose terms of reference for the subcommittee for approval at CRGA 46.
14. The external competitiveness of CROP agencies was examined by the review team, which recommended an extension of the current reference market for PAI (Australia, New Zealand and Fiji) to include the median of the general market (GM) for the United States and Continental Europe. This confirms the proposal made by the secretariat at CRGA 44 to expand the reference market to allow SPC to better gauge its position as an international employer.
15. The secretariat therefore invites CRGA to approve an extension of SPC's reference market but, given the specific global nature of SPC's recruitment and the highly specialised skills it often seeks for PAI positions, suggests that this expanded market include the United States and international organisations (with the International Civil Service Commission as the reference data provider).
16. The triennial review suggested that CROP agencies change their reference currency from SDR to a new currency. The US dollar (USD) was suggested as a possible new reference currency.
17. The secretariat has considered this proposal and, in light of the confusion created for incoming staff with the use of the SDR and the complexities difficulties of projecting SDR fluctuation, requests CRGA's approval to change SPC's reference currency to either USD or Euro for all of its operations.
18. This change in reference currency would have the advantage of allowing SPC to use a well-recognised currency for its operations, particularly for payment of salary and benefits, and would enable potential employees to more easily compare SPC's conditions with those of other international organisations. The change would be cost neutral for SPC.

### **Recommendations**

19. CRGA is invited to approve, with effect from 1 January 2016:
  - i. retention of the principle of CROP harmonisation, while endorsing the need to update the guiding principles and strategies to ensure a balance between consistency and flexibility;
  - ii. creation of a separate salary band for the position of SPC Director-General, consistent with the recommendation of the triennial review;

- iii. provision of bonuses for high performers;
  - iv. establishment of an SPC standing committee on remuneration;
  - v. extension of the reference market for positions advertised internationally to include the United States of America and organisations under the International Civil Service Commission;
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