

RECORD OF THE 39th AND FINAL MEETING OF THE PACIFIC ISLANDS APPLIED GEOSCIENCE COMMISSION (SOPAC) GOVERNING COUNCIL

PART A: Summary of Decisions PART B: Summary Record of Meeting Proceedings

PART A: Summary of Decisions

Regional Institutional Framework (Considered by Council in Sub-Committee¹)

1. Council decided:
 - i. After January 2011 there should be one position to be called “Director of SOPAC” with dual roles and reporting responsibilities.
 - ii. The dual roles encompass: (i) the responsibilities of the Director of SOPAC² the Commission until such time as the Commission audited accounts are closed and other regulatory requirements met. This role will over time diminish to zero; and (ii) the responsibilities of the Director of the Applied Geoscience and Technology Division until the Director General has completed the formal recruitment process to be concluded by the time of the Heads of Applied Geoscience and Technology Meeting in 2011 which will be held prior to the SPC Conference.
 - iii. The current SOPAC Director be retained to fulfil this appointment by an extension of the current contract and terms and conditions but reporting to the SPC Director General.
 - iv. To facilitate this, SOPAC Council delegates the role to oversee the closure of SOPAC to the Director General of SPC with the assistance of a troika comprising the past-current- and incoming Chair (the latter in effect the Vice-Chair of the 2010 Session).

Future of the Commission (Item 6.2)

2. Council appreciated that there are opportunities for improved service delivery with the transfer and integration of the core SOPAC work programmes into SPC and was enthusiastic about the way forward for the transition as articulated in the Letter of Agreement.
3. Council, having fully considered the issues within the context of the Agreement Establishing SOPAC agreed that:
 - i. SOPAC “the Commission” be suspended on or before 30th September 2011 once the Audited accounts for the necessary part of 2011 are received and approved by the troika of past Chair, current Chair and current Vice Chair, acting on behalf of Council.
 - ii. Suspension does not preclude any Member of the Commission from withdrawing from the Commission should they desire, requiring only that Fiji, as depository of the instruments of ratification, be notified.
 - iii. Any Member or Members who at any stage feel the desire to resurrect the Commission, should write to the Troika giving their reasons and seeking the support of Members. The Troika will coordinate Members responses to the proposal to resurrect.

¹ See Report of Outgoing Chair, page 8 of the Proceedings Volume

² A comprehensive list of ACRONYMS is included as Appendix 8 of the Proceedings volume

The Commission will be resurrected if Members of the Commission agree by consensus. If consensus cannot be achieved, agreement of at least two-thirds of the full membership will be required.

iv. That this was the last meeting of Governing Council.

4. In keeping with the precedence established at SOPAC Council meetings, Council supported the Cook Islands offer to host the first meeting of the Heads of Applied Geoscience and Technology Division of SPC in 2011.

2011-2015 Strategic Plan (Item 13)

5. Council acknowledged the 'living' nature of the proposed Strategic Plan 2011-2015 for the new Applied Geoscience and Technology Division given the period of transition associated with the integration of the SOPAC work programmes into the SPC. Council expected that the Plan would undergo review and refinement within its lifetime as integration into SPC progresses.

6. Council approved the 2011-2015 Strategic Plan for the work programme of the new Applied Geoscience and Technology Division of the SPC, noting the commitment of the Director of SOPAC to make various amendments as directed by Council.

7. Council recommended the Plan to SPC/CRGA for its consideration and endorsement as the Strategic Plan for the new Applied Geoscience and Technology Division of SPC from 1 January 2011.

Summary Report of 2010 Donor Support (Item 7.2)

8. Council accepted the summary report of 2010 donor support and acknowledged with appreciation the strong donor support, essential for delivery of SOPAC's work programmes; and requested the Secretariat to write to all the donors and development partners thanking them for their support provided to the SOPAC work programmes.

9. Council noted with appreciation that some Members were contributing directly to enable additional access to the work programme.

CROP and PPAC Summary Reports (Item 7.3)

10. Council welcomed and supported the recent Forum Leaders' Communiqué highlighting that extra efforts will be required to achieve results in the following areas:

- (i) finalising the delineation of permanent maritime boundaries;
- (ii) sustainably increasing the coverage of safe drinking water and basic sanitation services; and
- (iii) expanding the definition of disaster risk management beyond that posed by climate change to be people focused, covering responses to health disasters as well as factoring in population growth and movement.

11. Council further recognised that while these were covered in the Pacific Plan priorities, they nonetheless required much more effort and necessary dedicated resources as was highlighted in the Strategic Plan 2011-2015 for the new SOPAC Division of the SPC. Furthermore, as described in the strategic plan this increased effort requires the input of SOPAC science and technology, GIS and Remote Sensing and natural resource economics.

12. Council remained deeply committed to the need for good science and technical data to better inform decision-making. This was particularly important in the environmental vulnerability context where “normal” or historic natural change must be understood. Thereby with long-term data gathering, monitoring, and analysis island communities at all levels will be better able to build coping strategies that will build resilience to the increasing vulnerability the islands are facing – not the least of which is from the adverse impacts of climate change. In addition, SOPAC’s assessment of the economic costs related to environmental sciences in general were seen by Council as an important baseline for assessing the feasibility of future adaptation strategies.

13. Council encouraged the SPC/CRGA to endorse these sentiments and ensure adequate resources are identified as an outcome of the Long Term Sustainable Financing exercise currently underway.

STAR Chair Report (Item 8.1)

14. Council noted in regard to the upcoming IGC in Brisbane (Australia) in 2012,

- i. Initiatives that were proposed by the Circum-Pacific Council (CPC) during their meeting conducted concurrently with the STAR meeting and recommended SOPAC coordination with CPC, and agreed the Director of SOPAC, working with the Chair of CPC, and the Chair of STAR should be the focal points for Pacific regional participation.
- ii. That those national organisations like Geological and Nuclear Sciences (GNS – New Zealand), Geoscience Australia (GA – Australia) and the Bureau of Meteorology (BOM – Australia), as well as representatives from development partners be encouraged to work to ensure financial resources are available to allow participation by Pacific Island Countries and Territories.

Report from the Ocean and Islands Programme (Item 9.1)

15. Council considered and accepted the report on the 2010 Work Plan for the Ocean and Islands Programme.

Issues and Opportunities for the Ocean and Islands Programme (Item 9.2)

16. Council noted the current OIP/SPC Coastal Fisheries collaborative work as excellent examples of the potential opportunities of the SOPAC/SPC merger, and recommended future adequate resources be secured from donor partners, including through the SPC Long Term Sustainable Financing exercise.

17. Council acknowledged the critically important role SOPAC science plays in technical support to coastal adaptation, development and vulnerability projects and initiatives and recommended that significant improvements in programmatic funding for regional technical support services such as OIP be made available to facilitate a sustained and adequate response to this growing demand.

18. Council acknowledged the need for legal advice to assist members towards the declaration of their maritime boundaries and the development of shared boundary treaties. Council decided that options should be considered in future in the context of the combined SPC/SOPAC legal services.

19. Council recommended that OIP data and information management efforts receive adequate recurrent resourcing to facilitate the appropriate management of the significant regional data holdings and archived materials.

20. Council reaffirmed its support for adequate resourcing of regional baseline and monitoring efforts to improve the understanding of impacts from climate variability, disasters and to provide empirical guidance for adaptation, response and development.

21. Council noted the potential risk posed by wave climate change and variability to the plans embodied in the Framework for a Pacific Oceanscape, the Pacific Plan, and the Pacific Islands Regional Ocean Policy in order to ensure the sustainable development, management and conservation of our coastal areas.

22. Council supported the need for a comprehensive assessment of wave climate change and variability in the Pacific as such an assessment will provide the basis for assisting the region in the formulation of adaptation and disaster risk reduction responses needed to sustain coastal areas and their contribution to economic growth, food security and livelihoods in the face of climate change and variability.

Report from the Programme Review Monitoring and Evaluation Group on OIP (Item 9.3)

23. Council agreed that the Director look to address all PMEG cross-cutting issues on human resource management raised at this meeting by the PMEG process and report back to the first divisional meeting.

Report from the Water and Sanitation Programme (Item 10.1)

24. Council accepted the report on the 2010 Work Plan for the Water and Sanitation Programme, further noting the measures taken to address issues arising from the 2009 PMEG Report.

Issues and Opportunities for the Water and Sanitation Programme (Item 10.2)

Access to Safe Drinking Water and Sanitation, a Human Right

25. Council noted the recent adoption of the United Nations Resolution 64/292 (July 2010) which declares the access to safe drinking water and sanitation as fundamental human right and the associated responsibilities from governments.

26. Council recognised the fundamental importance of access to safe drinking water and sanitation for the full enjoyment of life and all human rights and acknowledges the region's challenges in achieving the MDG Targets on Water and Sanitation by 2015.

27. Council recommended that the new division seek new and additional resources as a matter of priority to support Member countries with the fulfilment of these obligations including support for institutional arrangements required to fulfil the duties to respect, protect and fulfil in relation to the human right of access to safe drinking water and sanitation.

The need for a New Pacific Regional Water and Sanitation Strategy

28. Council noted that the Pacific regional strategy for sustainable water management adopted under the Pacific Plan was developed eight years ago and has been guiding implementation of regional support programmes to various degrees of success.

29. Council noted the active participation of several Pacific Leaders at the 1st Asia Pacific Water Summit, which resulted in their high-level commitment to water and sanitation. Council encouraged the new division to provide support to Members in their preparations for and participation in the 2nd Asia Pacific Water Summit to be held in Bangkok 2012, including providing assistance to secure the necessary financial resources.

30. Council noted the active involvement of Member countries in the Asia Pacific Water Forum and associated developments such as the Ministers for Water Security Initiative and the coordinating role of SOPAC for the Oceania sub-region.

31. Council recommended that the new division undertake a consultative process towards the revision of the regional strategy and action plan to address the urgent issues pertaining to the sustainable management of water resources and delivery of water and sanitation services. Council further recommended the revised framework be considered at a meeting convened at ministerial level and the outcome submitted to the 2012 Forum. Council urged the Secretariat to secure funding for the review process and associated meetings.

Pacific Cooperative Performance Audit on Access to Safe Drinking Water

32. Council recommended that the new division provide support to Supreme Audit Institutions and relevant water sector stakeholders in member countries to improve the effectiveness of management in the provision of access to safe drinking water.

Benchmarking of Water Utilities

33. Council recommended that the new division provide support to Pacific island water and wastewater utilities participating in the benchmarking exercise and actively collaborate with PWWA to help improve the performance of utilities.

Report from the Programme Review Monitoring and Evaluation Group on WSP (Item 10.3)

34. Council thanked PMEG for the comprehensive report and acknowledged the highlights/achievements, key challenges, recommendations and country feedback and closing comments.

Report from the Disaster Reduction Programme (Item 11.1)

35. Council accepted the report on the 2010 Work Plan for the Disaster Reduction (formerly Community Risk) Programme, and noted the measures taken to address issues arising from the 2009 PMEG Report.

Issues and Opportunities for the Disaster Reduction Programme (Item 11.2)

36. Council directed the new division to (i) ensure the Pacific Platform for Disaster Risk Management continued in 2011, and (ii) work closely with SPREP to ensure the need to link DRM more closely with CCA at national level was supported through the closer functioning of the Climate Change Roundtable and the Pacific Platform for DRM.

37. Council noted that the resource support provided under the existing EU EDF 9 B and C Envelope Projects targeting disaster reduction would conclude in 2011-12, and primarily supports national activities. Council strongly encouraged all Members to secure similar funding modalities in order for sustained long-term support from the SOPAC work programme.

38. Council acknowledged with appreciation the new 3-year extension of the TAF/OFDA support to the DRP; commended the new opportunities identified to enhance current DRM initiatives and encouraged donors and partners to provide resources accordingly. These include opportunities with the World Bank Global Fund for Disaster Risk Reduction (GFDRR), the EU EDF 10 ACP-EU Natural Disaster Facility and emerging bilateral initiatives between the Secretariat and the UNESCO Apia Office and the World Bank (Sydney Office).

Report from the Programme Review Monitoring and Evaluation Group on DRP (Item 11.3)

39. Council thanked PMEG for the comprehensive report and acknowledged the highlights for 2010, issues and opportunities presented and endorsed the recommendations.

Natural Resource Economics (Item 12.1)

40. Council noted the excellent work of the Natural Resource Economics team reported on under the technical work programmes and encourages the strengthening of the PREEN Network and the work with other divisions of SPC.

GIS and Remote Sensing (Item 12.2)

41. Council acknowledged the highly specialised technical support services provided by the GIS and Remote Sensing team at the Secretariat and urged the Secretariat to continue to work with the donor partners to ensure this work continued as it was vital to supplement the lack of capacity at national level.

42. Council reaffirmed that spatial presentation of data through GIS and Remote Sensing modalities was key to improving information and knowledge for decision making in national planning within government, utility corporations and other organisations.

Data Management (Item 12.4)

43. Council noted the excellent work being done in respect of data management and its critical role to protecting intellectual property of Members and ensuring it became more widely available and used at the national level. In this respect Council urged the Secretariat to secure new funding and re-establish the national MapServers in order to facilitate access to information stored in spatial GIS databases that can be used for national planning purposes.

Publications and Library (Item 12.5)

44. Council acknowledged the significant technical support service role provided by the Publications and Library staff for SOPAC and agreed it be retained in the new Division as a key support service as reflected in the Strategic Plan 2011-2015. It must remain at the Mead Road campus in order to be most supportive and effective.

45. Council strongly supported the Compendium Special Project, and recognised the e-based outcomes for each island Member provides the record of the intellectual property gathered and looked after by SOPAC "The Commission" over the past nearly 40 years for some Members. This Project must be completed recognising that this is a rare opportunity that must be captured.

46. Council recognised that the importance of issues of data security and data copyright linked to the desire to improve data access and awareness to the public at large. Council urged the Director to develop an appropriate policy in consultation with Members and the Director General of SPC, and in developing this policy take into account the current procedure in regard to working with Members for permission and agreement.

Financial Report 2009 (Item 14.1)

47. Council received and accepted the 2009 Audited Financial Statements, Auditor's Report and Auditor's Management Letter.

48. Council noted and accepted the Report on 2009 Budget Variance and Virement of Funds.

49. Council accepted the report on assets and inventory written off for the year ended 31st December 2009.

Membership Contributions in Arrears (Item 14.2.2)

50. Council received and accepted the report on the status and level of Membership contributions in arrears, noting that a total of **F\$550,024.26** represented contributions in arrears for previous years while the contributions owing for the 2010 year, as at 18th October, amounted to **F\$172,383.76** with an accumulated total in arrears of **F\$722,408.02.**

51. Council urged all Members to clear arrears by 31st December 2010, in particular arrears for the past three years amounting to **F\$293,348.78.**

52. Council recognised the commitment and effort of those Members who settle annual assessed contributions promptly.

53. Council accepted that Membership contributions in arrears cannot transfer to SPC since they constitute "doubtful debts".

54. Council noted the option available within the Financial Regulations which states "A *provision for doubtful debts shall only be made against a member country contribution if the debt is outstanding after more than 3 years. A write-off shall only be effected after a resolution of the Council is obtained*".

55. Council noted that in accord with the SOPAC/SPC LOA signed on August 4th, Membership contributions for 2011 were to be paid to the SPC, and that they would be quarantined for the use of the SOPAC Division.

56. Council acknowledged the commitment of Niue, Vanuatu, Tonga, Fiji, Palau and the Solomon Islands to meet outstanding arrears by 31 December 2010.

57. Noting the suspension of the Commission, the Council forgave the arrears for Guam and Nauru prior to 2010.

58. Council further acknowledged the need to address all and any unforgiven arrears prior to the completion of the SOPAC audits in 2011.

59. Council directed the Secretariat to address shortfalls from the forgiving of arrears from the Reserve Fund.

60. Council has come to this decision in the light of extraordinary circumstances and for the purpose of closing down final SOPAC accounts for integration with SPC.

61. Council agreed that this sets no precedent for the future.

CROP Harmonisation and Remuneration Review (Item 15.1)

62. Council acknowledged that the issues concerning harmonisation and remuneration of the current SOPAC jobs and staff terms and conditions including salary and performance assessment would be the responsibility of the SPC/CRGA after 1 January 2011. As a necessity of the transition:

- i. Council noted the outcome of the recent CROP harmonisation and remuneration work and endorsed the recommendations of the CEOs concerning the 2011 SOPAC salary scales.
- ii. Council further noted that the Secretariat had taken into consideration the outcomes of this work and that the necessary financial implications had been factored into the draft 2011 SOPAC Work Plan and Budget.

Reserve Fund Ceiling (Item 15.2)

63. Council agreed that the Reserve Fund ceiling remain at FJD400, 000 for the SOPAC 2011 Work Plan and Budget.

Consideration of Membership Contribution Increase (15.3)

64. Council did not agree to the proposal to increase membership contributions.

65. Council advised the Secretariat that it would not be possible to consider any such proposal further until a satisfactory sustainable financing strategy had been developed by SPC.

Consideration of 2011 Work Plan and Budget (Item 15.4)

66. Council approved the 2010 Revised Budget of F\$15,756,143 and the 2011 Work Plan and Budget of F\$20,322,338 together with funds dedicated for national projects of F\$14,495,974, which totalled F\$34,818,313.

Confirmation of Auditors for 2010 and 2011 Accounts (Item 15.5)

67. Council accepted that in the process of transferring and integrating the SOPAC work programme into the SPC because of the RIF, there was an extraordinary circumstance in regard to the financial status of SOPAC "The Commission".

68. Council decided to retain the services of Ernst and Young for the 2010 audit and for the closing audit of the Commission to take into consideration that part of 2011 as necessary.

69. Council urged all donors to complete the required approvals of the transfer of contractual responsibility from SOPAC "The Commission" to the SPC as soon as possible, in consultation with the Secretariat and the SPC, in order that closure of the Commission accounts can be achieved in a timely and orderly manner.

Adoption of Agreed Record of Proceedings (Item 17)

70. Council agreed that the Summary Record of Proceedings (Record) be sent out to all Members after the meeting to check the substance of their interventions and thereby clear the Record out of session given that it had progressively reviewed the text of its decisions on each agenda item where required.

71. Council also agreed that the Proceedings volume of the SOPAC 39th and final meeting of the SOPAC the Commission be dedicated to the memory of the late David A Philip Muller, former Director of SOPAC; and other luminaries of the SOPAC community that had passed on.

PART B: Summary Record of Meeting Proceedings

1. OPENING

1. The Thirty-ninth Annual Session of the Pacific Islands Applied Geoscience Commission (SOPAC³) was held in Nadi, Fiji Islands, from 19th October to 22nd October 2010. Its Council Sessions including the joint session with its Technical Advisory Group (TAG) and the preceding two-day scientific meeting of its Science Technology and Resource Network (STAR) were all held at the Tanoa International Hotel, Nadi. The STAR Meeting was its 27th with the theme “Pacific Geoscience – Towards 2020 in the Face of Dwindling Global Natural Resources”.
2. The outgoing Chair, Honourable Paul Telukluk of Vanuatu, called the meeting to order and invited Mr Keu Mataroa of the Cook Islands to offer the opening prayer.
3. A tribute to the late Philipp Muller, former Director of the SOPAC Secretariat from 1992 to 1998, was delivered by the Interim Director (Dr Russell Howorth). It specially highlighted the late Director’s insight into the cost to PICs of the lack of appreciation and resourcing of marine mineral resources development; the collection of geoscientific data that must underpin any economic development; and the growing importance of GIS and remote sensing.
4. The Director welcomed Council Members and other representatives to the meeting.
5. The outgoing Chair delivered a report highlighting a number of critical activities he had presided over during his tenure to advance the implementation of the Leaders’ decision to rationalise SOPAC functions into SPC and SPREP. This culminated in the signing in early August of the fourth and final Letter of Agreement covering the transfer of the remaining functions of SOPAC into a new division of the SPC, which was described by the Prime Minister of Vanuatu as the “largest single transfer between two regional organisations”.
6. The outgoing Chair also announced Council’s decision arrived at during a pre-meeting briefing session between Council and the CEOs of SOPAC and SPC on the progress of implementation of the transfer mentioned above – that the current SOPAC Director be retained to undertake the dual roles of Director of SOPAC Commission; and Director of the new SPC Applied Geoscience and Technology Division to ensure the proper regulatory requirements for closure of the Commission’s accounts and transfer of contracts were fully met in the transition period. In conjunction with the extension of contract of the current Director; the SOPAC Council also decided to delegate the role to oversee the closure of SOPAC to the Director General of SPC with the assistance of a troika comprising the past- (Vanuatu), current- (Australia) and incoming Chair (Cook Islands).
7. Honourable Telukluk’s statement is tabled in full in the Proceedings volume.
8. Delegates from the following Member countries were in attendance: Australia, Cook Islands, Fiji Islands, French Polynesia, Kiribati, Marshall Islands, Nauru, New Zealand, New Caledonia, Niue, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu. A full list of participants is annexed as Appendix 1.
9. The Secretariat of the Pacific Community was the only CROP organisation represented at Council’s plenary session.
10. The following institutions attended as observers: (Australia) Centre for Australia Weather and Climate Research, Australian Volcanological Investigations, Bureau of Meteorology (BoM), (Chile) Pontificia Universidad Catolica de Valparaiso, the European Union, Geoscience Australia (GA), (New Zealand) GNS Science, Institute of Environmental Science and Research Limited (ESR), (Japan) National Research Institute for Earth Science and Disaster Prevention, Korea

³ A comprehensive list of acronyms is included as Appendix 8 of the Proceedings volume

Ocean Research and Development Institute (KORDI), (New Zealand) National Institute of Water & Atmospheric Research (NIWA), (Papua New Guinea) Maritime Boundaries Authority, University of Sydney, (US) Moss Landing Marine Laboratories, Victoria University of Wellington, Water Authority of Fiji, the World Health Organization (WHO), the World Meteorological Organization (WMO).

11. The following were represented from the private sector: ASAP, Fugro EarthData Inc, Nautilus Minerals, Sentry Petroleum, Akura Limited, Fiji Gas Limited and Geopacific Resources NL.

2. ELECTIONS

2.1 Chair & Vice Chair of SOPAC

12. In accordance with the rules of procedure Australia assumed the Chair of the SOPAC Governing Council; and the Cook Islands was appointed Vice Chair.

2.2 Chairs of STAR, TAG and PMEG

13. Acting Chair of STAR, Dr Gary Greene announced the re-nomination of Professor John Collen of Victoria University of Wellington as the Chair of STAR with the Cook Islands representative, Mr Keu Mataroa as Vice-Chair.

14. Council accepted that the sitting Chair of Governing Council (Ms Romaine Kwesius of Australia) would also chair the Joint Council/Technical Advisory Group Session.

15. Council accepted the Director's advice to retain Professor Gary Greene as Chair of PMEG.

2.3 Appointment of Rapporteur

16. Ms Lala Bukarau (SOPAC) was appointed rapporteur and tasked with the Secretariat to prepare a summary record of proceedings of the 39th SOPAC Session, under the supervision of the Drafting Committee.

3. AGENDA & WORKING PROCEDURES

3.1 Adoption of Agenda

17. The adopted agenda is attached as Appendix 2.

3.2 Appointment of Drafting Committee

18. An open-ended drafting committee chaired by the Cook Islands and comprising the Marshall Islands, Fiji, Australia, New Zealand, Samoa, Papua New Guinea and Tonga was tasked with overseeing the production of a summary record of proceedings.

3.3 Appointment of Sub-Committees

19. There appeared to be no need for any sub-committees.

4. REPRESENTATION

4.1 Designation of National Representatives

20. Members were encouraged by the Chair to amend the details for their designated national representatives as presented in paper (AS39/4.1). The list is included in Appendix 3 of the Proceedings.

5. STATEMENTS

21. The Chair proposed that in order to move efficiently through the agenda in the allocated four days that statements be kept as brief as possible, and more substantive issues be considered under the appropriate Agenda items. This suggestion was accepted by Council.

5.1 Statements from Member Countries

22. Members made short interventions mostly commending the Outgoing Chair for exemplary leadership of the Council through some critical and very sensitive stages of the implementation of the RIF decisions of the Leaders; and the Director and staff of the Secretariat for commendable delivery of services during the difficult period. Full statements are tabled in Appendix 4.

5.2 Statements by CROP Organisations

23. The Director General of SPC made special personal commitment to SOPAC staff and to the continuation of STAR under SPC. The Director General also stated his intention to adopt the PMEG as a best-practice process and to expand it to include input from Members.

5.3 Statements from Co-operating Governments & International Agencies

24. The presence of representatives from the Korean Oceanographic Research Development Institute was noted.

5.4 Statements from National Institutions

25. Full statements are tabled in full in Appendix 4.

6. DIRECTOR'S REPORT (Part 1)

6.1 Introduction

26. The Director referred Council to paper AS39/6.1 and established the theme for his report to Council spread throughout the agenda as "the necessity of sustainability; identifying and managing risks; ... and turning risks into opportunities and positive outcomes."

27. While presenting, he noted progress by SOPAC, SPREP and SPC with respect to implementing the Leaders decisions on the RIF – also observing SOPAC's continued service delivery during this time despite the many uncertainties in the transition period. He reminded Council that 1 January 2011 would not mark the end of the SOPAC transition to SPC since termination activities including auditing would still need to be completed in 2011. Nevertheless he

acknowledged the significance of this date as marking the establishment of SOPAC as the applied geoscience and technology division of SPC.

28. The Director reminded Council of the RIF transition activities that had occurred throughout 2010 in parallel with CROP harmonisation and remuneration arrangements, the development of the first strategic plan for SOPAC as a division of the SPC. In so doing, he reaffirmed SOPAC's commitment to working with SPC and urged Council to support the proposed strategic plan and accompanying 2011 Work Plan and Budget as part of the process to develop a long term sustainable financing strategy for the much enlarged SPC.

29. The Director noted a variety of highlights of SOPAC's work from 2010 including assistance to a number of countries in progressing maritime boundaries, the development of a regional risk exposure database and the implementation of water demand management in Niue which was resulting in reduced water losses. He also noted the continuing work of SOPAC is coordinating numerous regional partnerships including the Pacific Partnership Initiative on Sustainable Water Management, the Pacific Disaster Risk Management Partnership Network, the Pacific Resource and Environmental Economics Network and GIS PacNET.

30. The Director concluded his report with a plea to Members that it was crucial that the SOPAC work programmes retain the full support of all of its current Members and its partners.

6.2 Future of SOPAC "The Commission"

31. The Director referred Council to paper AS39/6.2 which had been circulated to Council well in advance of the meeting expressly to give Members ample time to consider the weightiest of matters (in capitals) requiring a decision at this Council meeting, on whether to suspend or dissolve the Commission.

32. The Director observed that most Members were on record as preferring suspension and he suggested that Members could reconfirm that preference or otherwise. The Director also proposed the establishment of a troika (Vanuatu, Australia and Cook Islands) to work with the Director General of SPC to oversee SOPAC's progress in these matters over 2011.

33. New Caledonia sought clarification on the 'pragmatic option' as presented in the paper, stating that he was unable to see the argument using intellectual property rights as a reason for preferring suspension over dissolution given that there was a framework present in SPC to protect intellectual property.

34. The Director observed that the numerous records of past meetings citing many and varied reasons for why most island Members preferred to 'retain' SOPAC, or retain an access point into SOPAC services was suggestive of the preference for suspension over dissolution and he thought this could be easily be verified by going round the room and asking members directly.

35. Samoa noted that the instrument for termination of the SPBEA that was adopted by Members at their November 2009 meeting appeared to them to be a simple and effective way of bringing closure of the merger of SPBEA into SPC, and wondered if the same option could also be considered for SOPAC.

36. Fiji expressed his support for suspension of SOPAC the Commission in line with the procedure outlined in paper AS39/6.2. He also noted that dissolution would take around 12 months to take effect whereas suspension might allow the Secretariat get on with work sooner. Suspension also left room for members to reactivate the Commission, should there be a need in the future.

37. Given uncertainty following 2011 and the need to ensure continued service delivery to Members, Cook Islands concurred with Fiji on the matter of suspension and the option for the way forward as suggested in the paper.
38. In response to the suggestion by Samoa for using the SPBEA option on SOPAC, the Director sought clarification from the Director-General of SPC on the process used to manage the closure of SPBEA upon its transition to SPC. SPC observed that the options to close SPBEA had been either to (i) dissolve SPBEA (ii) suspend it or (iii) invite Members who had ratified the SPBEA Agreement to withdraw from that Agreement. SPC observed that the option to withdraw from the Agreement had been adopted by SPBEA. Accordingly, Members that had signed the SPBEA Agreement were now in the process of writing to Fiji as the depositary advising of their intention to withdraw.
39. Cook Islands considered it unfair to compare the work of SOPAC with that of the SPBEA and that just because the withdrawal option had worked for SPBEA did not mean it would equally be appropriate for SOPAC.
40. Samoa acknowledged the comments by the Cook Islands and the value of the SOPAC work programmes. She clarified that her reference to following the SPC/SPBEA process had merely been a suggestion to progress matters.
41. Fiji added to the sentiments of the Cook Islands, stating that suspension of SOPAC as a Commission would be in the interest of Members, in case it was beneficial to reactivate SOPAC one day in the future.
42. Papua New Guinea, Palau, Vanuatu, Republic of the Marshall Islands, Solomon Islands, Tonga and Tuvalu (in writing) acknowledged the work of SOPAC over recent years and joined the Cook Islands and Fiji in calling for suspension rather than dissolution, expressing the need to 'keep open a window'.
43. French Polynesia observed with pleasure the emerging consensus among Members on the matter of suspension and stated its willingness to go with the consensus outcome.
44. Niue observed the majority support for suspension based on Council's discussion of the previous day on the need to continue service delivery, Niue added its support for suspension as a means to enable the absorption to 'bed down successfully'.
45. Nauru noted that suspension, as a contingency, had its merits so Nauru was willing to go along with the majority of Members and support the suspension of SOPAC rather than its dissolution.
46. Noting that suspension of SOPAC would allow the opportunity for future reactivation of SOPAC, Samoa noted the need for clear guidelines on when and how reactivation might proceed. New Zealand agreed with Samoa that suspension of the Commission raised questions about how reactivation might proceed in the future and the need for clarification on this. She also stated that New Zealand nevertheless accepted the majority decision. She commented that she hoped that the decision on suspension would be taken in the spirit of moving forward as set out in the Letter of Agreement between SOPAC and SPC.
47. Australia while stating the preference for dissolution was nevertheless prepared to accept the consensus for suspension, encouraging Members to actively support the integration of SOPAC functions to SPC in all of its aspects.
48. Samoa expressed concern at hearing members refer to the difficulty associated with "dissolution" in that it would be hard to obtain a two thirds majority for success in the ratification process. She pointed out that a lot of time, resources and effort had been invested in accomplishing the milestones so far with respect to the RIF and that expressions of doubt that the

exercise would not work were counter productive. Samoa concluded that the onus was on Members to make it work and was certain that the Leaders expected no less.

49. Fiji expressed optimism about the implementation of the transition from 2011 onwards and reiterated the selection of suspension over dissolution was 'just in case'. He proposed that it might be best to leave identifying the details of conditions for reactivation of SOPAC for another meeting, suggesting that opening that discussion might stretch the meeting to beyond the available time.

50. Chair observed the consensus among Members to suspend SOPAC rather than dissolve it noting that there had been some queries on the criteria for reactivation, and proposed that this be discussed in Session. The Drafting Committee was to attempt to capture appropriate wording on the suspension decision for Council to consider.

51. Council appreciated that there are opportunities for improved service delivery with the transfer and integration of the core SOPAC work programmes into SPC and was enthusiastic about the way forward for the transition as articulated in the Letter of Agreement.

52. Council, having fully considered the issues within the context of the Agreement Establishing SOPAC agreed that:

- i. SOPAC "the Commission" be suspended on or before 30th September 2011 once the Audited accounts for the necessary part of 2011 are received and approved by the troika of past Chair, current Chair and current Vice Chair, acting on behalf of Council.
- ii. Suspension does not preclude any Member of the Commission from withdrawing from the Commission should they desire, requiring only that Fiji, as depository of the instruments of ratification, be notified.
- iii. Any Member or Members who at any stage feel the desire to resurrect the Commission, should write to the Troika giving their reasons and seeking the support of members. The Troika will coordinate Members responses to the proposal to resurrect. The Commission will be resurrected if Members of the Commission agree by consensus. If consensus cannot be achieved, agreement of at least two-thirds of the full membership will be required.
- iv. That this was the last meeting of Governing Council.

53. In keeping with the precedence established at SOPAC Council meetings, Council supported the Cook Islands offer to host the first meeting of the Heads of Applied Geoscience and Technology Division of SPC in 2011.

7. DIRECTOR'S REPORT (Part 2)

7.1 2009 Annual Report Summary

54. The Director presented the Annual Report Summary covering the period October 2008 to October 2009. He stated that the Annual Report Summary was targeted at communicating SOPAC's work to non-technical persons and as such should be used as tool by Members and donor representatives to promote SOPAC activities and showcase the benefits that might accrue at national level.

55. Council accepted the 2009 Annual Report Summary.

7.2 Summary Report of 2010 Donor Support

56. The Director presented the summary report of the donor support to SOPAC for the period September 2009 to August 2010 (AS39/7.2).

57. The Marshall Islands thanked the Secretariat for providing the Summary Report of 2010 Donor Support and sought further information with regard to current funding levels and also arrangements in place for 2011 and beyond (in the context of the merger with SPC) especially with respect to the European Union funding.

58. The Director advised that the finance section of the final Letter of Agreement with SPC provided for a quarantining of funds for use by the new applied geoscience and technology division (SOPAC) in the SPC system with the appreciation that this being the case some arrangements would not likely get completely resolved by 1 January 2011 as certain contractual arrangements with particular donors (such as the EU) would still be in the process of being worked out.

59. Council accepted the summary report of 2010 donor support and acknowledged with appreciation the strong donor support, essential for delivery of SOPAC's work programmes; and requested the Secretariat to write to all the donors and development partners thanking them for their support provided to the SOPAC work programmes.

60. Council noted with appreciation that some Members were contributing directly to enable additional access to the work programme.

7.3 CROP and PPAC Summary Reports

61. The Director presented paper AS39/7.3 and drew Council's attention to the following three issues from the SOPAC work programme that SOPAC had promoted during the year at the CROP and PPAC meetings:

- i. Expanding the notion of disaster risk management to be people-focused covering responses to health disasters as well as factoring in population growth and movement.
- ii. Reflecting water and sanitation as a key vulnerability requiring support.
- iii. Finalising the delimitation of maritime boundaries especially with respect to developing effective conservation and management mechanisms for national resources within sovereign waters of island members including mineral prospecting and exploration

62. In responding to the Directors detailing of paper AS39/7.3, and particularly with respect to the issue of boundaries delimitation, Samoa noted the differences between the datasets used by FFA and those used by SOPAC and the resulting confusion among countries because of this. She further suggested that SOPAC and FFA work to harmonise and pool resources as such collaboration would benefit Members of both organisations given the spate of illegal fishing being experienced in Members' waters. Samoa was seeking to relook at the status of its boundaries because of the need to deal with the illegal fishing issue.

63. The Cooks Islands confirmed the firming up of its dialogue process through their Foreign Affairs ministry with Niue and Kiribati with respect to treaties for shared boundaries. He supported the call by Samoa for SOPAC to dialogue with FFA, particularly with respect to the Vessel Monitoring Systems (VMS's) already being deployed in fishing vessels operated by Members.

64. The Director clarified that the intention of paper AS39/7.3 and its recommendations was not to look into specificities of what was being done or not within the respective work programme areas as these would be covered under the technical work programme agenda items. Council was to note these areas that have been identified and taken up into the Port Vila Leaders

Communiqué of 2010. The purpose for highlighting them was to get attention and leverage for raising dedicated resourcing.

65. New Caledonia congratulated the Director and his team for the quality of report and stated that one of the recommendations in the paper certainly matched a presentation he had made at STAR on the use of a framework to link scientific data to political decisions. He suggested additional text which he would provide to the drafting committee that he advised would give more weight to the recommendation.

66. New Zealand acknowledged the significance of the areas raised and offered appreciation of the Director's proactive efforts in bringing this to the attention of leaders through the CROP and PPAC process. The representative also provided some input to the recommendations to align them more accurately with the language of the Leaders Port Vila Communiqué.

67. Chair noted the particular issues for inclusion in the recommendations which were referred to the drafting committee. The following recommendations were supported by Council.

68. Council welcomed and supported the recent Forum Leaders' Communiqué highlighting that extra efforts will be required to achieve results in the following areas:

- (i) finalising the delineation of permanent maritime boundaries;
- (ii) sustainably increasing the coverage of safe drinking water and basic sanitation services; and
- (iii) expanding the definition of disaster risk management beyond that posed by climate change to be people focused, covering responses to health disasters as well as factoring in population growth and movement.

69. Council further recognised that while these were covered in the Pacific Plan priorities, they nonetheless required much more effort and necessary dedicated resources as was highlighted in the Strategic Plan 2011-2015 for the new SOPAC Division of the SPC. Furthermore, as described in the strategic plan this increased effort requires the input of SOPAC science and technology, GIS and Remote Sensing and natural resource economics.

70. Council remained deeply committed to the need for good science and technical data to better inform decision-making. This was particularly important in the environmental vulnerability context where "normal" or historic natural change must be understood. Thereby with long-term data gathering, monitoring, and analysis island communities at all levels will be better able to build coping strategies that will build resilience to the increasing vulnerability the islands are facing – not the least of which is from the adverse impacts of climate change. In addition, SOPAC's assessment of the economic costs related to environmental sciences in general were seen by Council as an important baseline for assessing the feasibility of future adaptation strategies.

71. Council encouraged the SPC/CRGA to endorse these sentiments and ensure adequate resources are identified as an outcome of the Long Term Sustainable Financing exercise currently underway.

STAR AND PMEG CHAIRS REPORTS

8.1 STAR Chair Report (AS39/8.1)

72. The Acting Chair of STAR, Professor Gary Greene presented the STAR Chair Report to the Council noting that the main theme of the 2010 STAR meeting was: "Pacific Geoscience – Towards 2020 in the Face of Dwindling Global Natural Resources".

73. Apart from hearing presentations by researchers, the STAR Conference allowed researchers to take advantage of the presence of experts. Each year the delegates convened thematic working groups in sub-disciplines in which they discuss aspects of their subjects that are relevant to the region and make recommendations of points that they feel may be of benefit to Council. This year six working groups met, to discuss aspects of tsunamis, marine benthic habitat mapping, deep-sea minerals, water, and the International Geological Congress. Full reports with recommendations to Council and the STAR Chair report are appended to the Proceedings volume (Appendix 5).

74. Australia briefed the SOPAC Governing Council members on the 34th International Geological Congress to be held in Brisbane in August 2012 and the associated technical workshops. The IGC represents a unique opportunity for regional geoscientists to expand their network of contacts and participate in a state-of-the-art international geoscience forum.

75. Australia further advised that the Organising Committee encouraged initiatives that enable regional geoscientists to attend the 34th IGC. The planned workshops on geohazards and groundwater were an excellent opportunity to enhance technical capacity in regional geoscientists for hazard and risk modelling using free and open-source software and improve regional geoscientist's understanding of groundwater monitoring and management. Funding is currently being sought for participation in these workshops by regional delegates. Workshops on sustainable mining have in-principle financial support for delegates from African nations, but funding to support regional participants is yet to be secured.

76. New Zealand acknowledged the efforts of the Acting Chair of STAR and wished to express its support for the STAR mechanism to continue with the transition into SPC, and even be enhanced with current fisheries work at SPC. There were several presentations from New Zealand during STAR from the office of the National Institute of Water and Atmospheric Research Office, Geoscience New Zealand, and Environment Service and Research. There were some interests expressed that with the involvement of STAR in SPC, there will be an added value of "human" aspects (such as health science) to natural science work that SOPAC undertakes. New Zealand therefore wished to express the strong support for the STAR mechanism and its importance, and to ensure that STAR is protected and enhanced in the transition to SPC.

77. The Director highlighted the IGC Conference paper that was introduced to Council by the representative from Australia and pointed out that there is only one meeting between now and August 2012 in order to discuss the strategy for way forward and preparations for their participation at the IGC. (That meeting being the first heads of geoscience meeting associated with the new Applied Geoscience and Technology Division of SPC in 2011.)

78. Council noted in regard to the upcoming IGC in Brisbane (Australia) in 2012,
- i. initiatives that were proposed by the Circum-Pacific Council (CPC) during their meeting conducted concurrently with the STAR meeting and recommended SOPAC coordination with CPC, and agreed the Director of SOPAC, working with the Chair of CPC, and the Chair of STAR should be the focal points for Pacific regional participation.
 - ii. That those national organisations like Geological and Nuclear Sciences (GNS – New Zealand), Geoscience Australia (GA- Australia) and the Bureau of Meteorology (BOM- Australia), as well as representatives from development partners be encouraged to work to ensure financial resources are available to allow participation by Pacific Island Countries and Territories.

79. The STAR Chair's report is appended in full in Appendix 5.

8.2 PMEG Chair Report on Cross-cutting Issues (AS39/8.2)

80. The PMEG Chair presented the PMEG Chair's Report on matters and issues relating to SOPAC work programme delivery which are cross-cutting in nature and common to all three technical programmes of SOPAC. The report is tabled in paper AS39/8.2.

81. PMEG Chair wished to point out that the process of PMEG this year was different to previous years by two major factors:– (1) the transition process of moving SOPAC into SPC taking place due to the RIF; and (2) the new Director position at SOPAC. He reported that the past year had been a difficult year with the increased pressure of transition to SPC but the dedication of staff has been very resilient and positive throughout the process. There are existing synergies between SOPAC and SPC, as well as with SPREP and with other organisations that could still be improved upon.

82. New Caledonia acknowledged the efforts of the PMEG Chair for his Report and sought further clarification on the frustration of some staff involved with the preparation of the new strategic plan document, considering that there were no funds allocated to this work. He reassured the Secretariat that (as pointed out in Agenda Item 13 discussed by Council the day before) the strategic plan was a living document and will be reviewed and revised. He expressed concern at the low morale expressed by senior programme managers as reported, and sought clarification from the Director on the matter.

83. Fiji also expressed similar concerns to New Caledonia on the recommendation points as highlighted in the PMEG Chair Report and pointed out that the funding issues at the beginning of the year may have been a contributing factor to the low morale of staff. Fiji repeated ongoing concern for the welfare of the large number of Fiji nationals currently employed at the Secretariat.

84. French Polynesia sought clarification from the PMEG Chair on the methodology used in the compilation of the PMEG Report if there were surveys or personal interviews of individual staff members to assess the credibility of the report.

85. Vanuatu also expressed concern at the point made on staff morale as service delivery would likely be affected by it. On the issue of the heads of national geosciences forming the new technical advisory group (TAG) for the new applied geoscience division of SPC, Vanuatu pointed out that it would be the member countries that would decide the representation of country delegates to divisional meetings.

86. PMEG Chair emphasised that the PMEG team had two days to evaluate the technical programmes, which included presentation and interviews with SOPAC staff. He explained that PMEG comprised volunteer scientists and not a professional group of evaluators.

87. The Director assured Council that it could rely on its chief executive officer to address the matter of morale at the next executive management meeting. Director also noted that other CROP agencies were going through the process of applying the new job banding system and that if there were difficulties with it these needed to be identified and addressed.

88. Niue was heartened to note the large presence of Secretariat staff at the Council meeting and encouraged the Secretariat to move forward in a positive manner over what remained of the year and estimated that it would take at least six months to bed down the new SOPAC division of SPC.

89. With further expressions of concern about low staff morale by Vanuatu and Fiji, the Director promised to report back to the first meeting of the SOPAC division on what had been done to address the matter.

90. Chair expressed appreciation for the report by the PMEG Chair and noted that the welfare of all staff needed to be maintained and that the Director had undertaken to report back to Members at their next meeting.

91. Council noted the following cross-cutting issues from the PMEG Chair's Report; and referred them to the Director for follow up as necessary:

- i. Job Banding – that the latest information be provided to staff on the process to progress and accelerate the process as urgently if the RIF process is to move ahead.
- ii. Strategic Plan – Council noted that the Strategic Plan had already been endorsed the previous day when discussions on AS39/13 were brought forward.
- iii. Morale – Director to use mechanisms such as the Executive Management Team (EMT) to monitor morale with Secretariat staff, in particular the Senior Programme Manager staff and report to the first SOPAC divisional meeting in 2011.
- iv. Compensation/Professional Development – to consider providing funds through sustainable funding initiative to cover time for staff to write proposals and attend professional development activities.
- v. Work Environment Considerations – to seek a method and funds to provide a healthy work-life balance for those staff suffering from overwork, in particular with the issue of medical claims by staff.
- vi. Communications – to meet with their counterparts at SPC, pertinent international organisations and internally design an efficient and realistic future work program.
- vii. Website Site/Data Management – allow the Data Management, ITC group to continue without interruption to digitise reports, maps and other library information in the fashion they have developed.
- viii. Open-source Software – to allow for flexibility to use best practices, hardware and software of both SPC and SOPAC.
- ix. Computers/Network Transition – SPC to provide ITC support and equipment.
- x. Travel Requests – to shorten procedures if possible and/or explain rationale for the requirement.
- xi. Heads of Geoscience – consideration to be given to the inclusion of other disciplinary heads in addition to geologists to participate in the new TAG as nominated by member countries.
- xii. Proposal Development/ Donor Management – to consider hiring a specialist proposal drafting person who could monitor opportunities for proposals and assist with the preparation of the generic content required for proposals, prior to seeking input from specialists whose input may be needed only for particular aspect.
- xiii. Human Resources – the existing SPC HR unit be expanded to handle the extra load of additional SOPAC staff to provide the much needed services to the staff in relevant areas including staff pay, level advancement, leave and personal development.
- xiv. Performance Agreement – staff performance assessment processes to be adhered to and where needed updated performance assessments produced.
- xv. Change Manager – permanently base the Change Manager in the SOPAC Secretariat for the duration of the transition.

92. The PMEG Chair's report on cross-cutting issues is appended in full in Appendix X.

9. OCEAN AND ISLANDS PROGRAMME (OIP)

9.1 Report from the Ocean and Islands Programme

93. The Chair invited the Programme Manager of the Oceans and Islands Programme to present on the work undertaken during 2009-2010. The OIP Manager referred Council to paper AS39/9.1 describing the work covered in detail. He introduced the broad thrust of work of the Programme and shared with Council the new organisational structure of the Programme in the context of the new SOPAC Strategic Plan 2011-2015. He then presented on the work of each of the key sections within that structure. In so doing, the OIP Manager stressed the critical need for the Pacific to have access to appropriate scientific data to underpin climate change adaptation solutions. He reminded countries of the need to declare maritime boundaries to underpin economic development, reminding Council that OIP already supported numerous members in this work and invited other countries to liaise with SOPAC on the issue, if they wished. Nevertheless, he also reminded Council that the OIP needed financial resources to continue its maritime boundaries work in the future.

94. The OIP Manager highlighted a variety of activities conducted over 2009-2010 including hydrodynamic modelling; and land and nearshore marine surveys which can be used to model wave impacts and sea-level rise. He explained the implementation of the aggregate dredging company (ESAT) in Kiribati and the potential of such approaches to underpin not only the issue of sustainable construction aggregate supply but also climate change adaptation into the future. He announced the continuation of the South Pacific Sea Level and Climate Monitoring Project for the next 5 years (Phase 5), expressing appreciation to donors. He reminded Council of the ongoing need for data over time to assess risks from climate change and, on this matter, advised of data and information management and access improvements efforts through the Programme.

95. Fiji acknowledged that most PICs have not progressed their maritime boundaries claims due to lack of in-country capacity and also acknowledged the dependence of PICs on the OIP to progress maritime boundaries claims. He noted the lack of funds for OIP to continue to deliver this service particularly for eCS work and the negative impact that ceasing this work would have on PICs. He expressed hope that funds would be made available in the future to continue this service.

96. Cook Islands echoed the sentiments of Fiji on the issue of maritime boundaries and commended the OIP for its excellent work conducted to date. He noted the hydrodynamic and EEZ work conducted by OIP in the Cook Islands and confirmed that the Cook Islands would soon declare its boundaries. He also acknowledged the collaborative work by Niue and the Cook Islands to establish a treaty agreement over their shared boundary. The Cook Islands also noted with pleasure the extension of the South Pacific Sea Level Climate Monitoring Project for the next 5 years and gratefully acknowledged the support of AusAID in enabling this. He noted the issue of climate change and recognised the need for the appropriate technical assessments and data to inform decision making to adapt to it. He advised that Cook Islands intended to liaise with SOPAC to progress work under its Pacific Adaptation to Climate Change project. Cook Islands registered his support for all recommendations concerning OIP in papers AS39/9.1 and AS39/9.2.

97. New Caledonia commended the OIP on its work to date and acknowledged that the work was done under difficult RIF circumstances. New Caledonia supported the restructure of the OIP, considering that the new structure better suited the delivery of OIP tasks. He advised Council that New Caledonia's claim for eCS has now been approved by the UN and he conveyed his wishes to the other 8 PICs for similar success in boundary delimitation. He stated that he understood the need for legal expertise by SOPAC to support boundary delimitation but did not support the recruitment of in-house expertise, recommending instead that SOPAC use ad hoc consultants so that OIP could focus entirely on technical matters. In response, the OIP Manager acknowledged

the need to avoid OIP being distracted from its technical work on maritime boundaries delimitation but nevertheless reiterated his view that in-house legal advice was needed, observing that the success of Australia and New Zealand to successfully defend their respective eCS claims and develop their boundary solutions and treaties was partly due to these countries having access to in-house legal expertise which was specific to Law of the Sea and UNCLOS needs that was fully integrated into the technical team. He stated that this was what OIP wanted to mirror and considered that integrating legal expertise with its technical work would allow OIP's maritime boundaries work to take the extra necessary step towards assisting countries to declare their boundaries solutions and support their eCS claims.

98. New Caledonia registered disappointment that the PMEG report appeared to focus solely on the staff welfare and work environment of the OIP with little reference to the technical content or quality of the OIP's work, even though he acknowledged that the technical work of the Programme was still sound.

99. Samoa commended OIP for the work conducted and requested further assistance from OIP to: (i) conduct hydrodynamic modelling in Samoa; (ii) continue work under PRISMS to avoid mal-adaptation; and (iii) continue work in the SPSLCMP (Phase 5). She also acknowledged the offer of assistance from the OIP Manager concerning maritime boundaries delimitation and expressed that it was likely that Samoa would come to SOPAC for technical assistance to progress this matter this year. In reply, the OIP Manager acknowledged the request for hydrodynamic modelling and asked for more detail on the sectors under concern to enable planning and better discussion of how this work might be pursued. He noted that any work by the OIP to meet this demand would rely on access to baseline data and that this would incur expenses but that OIP would work with Samoa to establish a budget and secure funds to address the hydrodynamic modelling. Concerning Samoa's request for PRISMS work, he advised that the PRISMS system had not yet been extended to high islands and noted that this activity had no budget. He advised that with SOPAC currently unable to attract any funding to extend the PRISM activity; a response in that regard to Samoa's request was subject entirely to the availability of resources.

100. Samoa observed the difference in boundary datasets between SOPAC and the Forum Fisheries Agency (FFA) on the matter of maritime boundaries and enquired how this matter was being handled by SOPAC. The OIP Manager advised that SOPAC held no baseline data on maritime boundaries for Samoa. He explained that when the maritime boundaries project was transferred to SOPAC in 2001 the data provided only gave out limit positions (in this case shared boundary position) but that no metadata had been provided by FFA; therefore SOPAC was not in a position to assess the accuracy of existing FFA data relating to Samoa. Nevertheless, he suggested that if Samoa was to engage with SOPAC on maritime boundaries delimitation, SOPAC would be happy to advise further.

101. Marshall Islands commended OIP for its work. He reminded Council of requests from 2008 and 2009 that programme managers include the breakdown in their presentations of the funding used and budgets on various activities (such as maritime boundaries, climate change adaptation etc.) Noting that this information had not been included in the Session papers of any of the technical programmes, he asked whether the information was too much work for managers to generate or whether the issue was not important to SOPAC. He asked PMEG to take note of the request. The OIP Manager advised that it had been previously difficult for managers to divide the budget in the way Marshall Islands had requested; nevertheless he advised that the new budgeting structure of SOPAC would enable programme managers to provide this information in the future.

102. French Polynesia commended the OIP for its work observing that the maritime boundaries for French Polynesia had been declared by France in 2009. He congratulated SOPAC and IFREMER for their joint work to assist Tuvalu and Wallis and Futuna to collect data critical to support these countries' eCS claims. He also extended his thanks to SOPAC for assistance in the preparation of the French Polynesia Country Implementation Planning under the OCT project.

103. Australia commended the work of the OIP and observed that Geoscience Australia valued its relationship with SOPAC. He noted the OIP considerations of how to work better with SPC, noting that more might be achieved in the future, for example by providing baseline data to other SPC Divisions. He endorsed the OIP request for baseline data collection (especially elevation data). He observed that Geoscience Australia had been assisting SOPAC in some of its maritime boundaries issues and confirmed that Geoscience Australia used its own lawyers to underpin its maritime boundaries work, observing that this can work well within a technical organisation so long as specific UNCLOS capacity is brought in. On the issue of information management, he commended OIP for its data rescue activities and asked whether OIP could progress this in the SPC through the use of shared platforms, software and corporate back up as he considered that there might be ways for SOPAC to progress continued data rescue itself.

104. Nauru acknowledged the work of the OIP and observed that the work in maritime boundaries delimitation had been ongoing for many years and expressed that he was happy this sector had been recognised as a priority area by Pacific leaders. He stated that Nauru looked forward to finalising its own boundaries with Kiribati and the Marshall Islands. Nauru advised Council that Nauru's EEZ is relatively small compared to its neighbours and is rich in tuna resources but not deep sea minerals. He stated that Nauru is sponsoring a private company (Nautilus Minerals through its Nauruan subsidiary) to mine in high seas areas. He stated that Nauru had applied to the International Seabed Authority to reserve an area for mining polymetallic minerals in the Clarion-Clipperton Zone. They still awaited a ruling from the Disputes Chamber of the International Tribunal of the Law of the Sea on their submission for Advisory Opinion on whether they could proceed and, if approved, are likely to commence mining within five years.

105. New Zealand congratulated OIP on its achievements and in relation to the new Strategic Plan, New Zealand suggested that in the more outputs might usefully be articulated in the OIP work planning framework and enquired how OIP would link its work to the outcomes articulated in the Strategic Plan. The OIP Manager noted that this was the first time OIP was reporting using the new Strategic Plan format and suggested a separate discussion on how to improve reporting for the future.

106. Niue echoed the sentiments of previous speakers in commending the OIP for its work and advised that Niue wanted to progress its maritime boundaries, so it would liaise with SOPAC about it. He advised that Niue was aware that OIP had completed the relevant data and information for maritime boundaries for Niue and expressed gratitude for the other data products and support for the country. He also advised that Niue needed assistance with respect to updating the Mining Act of Niue and introducing mining policy in response to recent development in this area. He noted that the Government of Niue would formally seek the assistance of OIP and SOPAC in the work of delimiting the maritime boundaries of Niue and technical support to build Niue's capacity and response in the area of mining. He observed that Niue was absent from the OIP Programme Manager's map on SPSLCMP sea gauges and sought clarification of Niue's status with respect to this. He also noted that the request for a tidal gauge under the auspices of the SPSLCMP had been made two years previously and that to date no formal response has been received on the status of that request. He observed that Niue had completed its work on a coastal development policy with SOPAC support as a response to the severity of the 2004 Cyclone Heta event where wave overtopping had occurred around Niue's cliffs. He consequently acknowledged critical need for work with SOPAC in climate change adaptation since severe weather events might increase. He gave Niue's support for the recommendations made in papers AS39/9.1 and AS39/9.2. The OIP Manager followed up on the Niue enquiry as to its status with respect to the placement of SPSLCMP sea gauges (in the break after the session) and advised Niue that decisions on the placement of the gauges was the responsibility of BoM Australia and that SOPAC had made representations to BoM Australia relaying Niue's desire to re-install the gauge.

107. Council considered and accepted the report on the 2010 Work Plan for the Ocean and Islands Programme.

9.2 Issues and Opportunities for the Ocean and Islands Programme

108. The OIP Manager presented emerging issues for the Programme and referred Council to paper AS39/9.2. He acknowledged the opportunity for fuller integration with SPC, noting that OIP was already actively engaged in working with SPC, particularly with its Coastal Fisheries and Aquaculture Division. He noted that the OIP already worked at capacity and future engagements within SPC or with other CROP agencies would depend on the provision of new resources. He noted that the same issue of resourcing would apply if OIP was to continue to meet the increasing demands of PICs to provide technical assessments particularly pertaining to climate change adaptation.

109. The OIP Manager advised Council of the need for PICs to officially register their maritime boundaries and emphasised that, while SOPAC is mandated to provide the technical solutions to develop boundaries, it is not mandated to provide the legal expertise needed to progress the resulting negotiations. Since the two sets of expertise are critical for delimitation, he advised Council of the need for OIP to have this expertise in-house to meet PIC needs.

110. Finally, the OIP Manager highlighted to Council the imperative that baseline data underpin adaptation and increase resilience, noting the urgent need for investment in SOPAC to collect or access this data.

111. Council noted the current OIP/SPC Coastal Fisheries collaborative work as excellent examples of the potential opportunities of the SOPAC/SPC merger, and recommended future adequate resources be secured from donor partners, including through the SPC Long Term Sustainable Financing exercise.

112. Council acknowledged the critically important role SOPAC science plays in technical support to coastal adaptation, development and vulnerability projects and initiatives and recommended that significant improvements in programmatic funding for regional technical support services such as OIP be made available to facilitate a sustained and adequate response to this growing demand.

113. Council acknowledged the need for legal advice to assist members towards the declaration of their maritime boundaries and the development of shared boundary treaties. Council decided that options should be considered in future in the context of the combined SPC/SOPAC legal services.

114. Council recommended that OIP data and information management efforts receive adequate recurrent resourcing to facilitate the appropriate management of the significant regional data holdings and archived materials.

115. Council reaffirmed its support for adequate resourcing of regional baseline and monitoring efforts to improve the understanding of impacts from climate variability, disasters and to provide empirical guidance for adaptation, response and development.

116. Council noted the potential risk posed by wave climate change and variability to the plans embodied in the Framework for a Pacific Oceanscape, the Pacific Plan, and the Pacific Islands Regional Ocean Policy in order to ensure the sustainable development, management and conservation of our coastal areas.

117. Council supported the need for a comprehensive assessment of wave climate change and variability in the Pacific as such an assessment will provide the basis for assisting the region in the formulation of adaptation and disaster risk reduction responses needed to sustain coastal areas and their contribution to economic growth, food security and livelihoods in the face of climate change and variability.

9.3 Report from the Programme Review Monitoring and Evaluation Group on OIP

118. Chair invited Dr Gary Greene, Chair of PMEG and Acting Chair of the OIP PMEG to present the findings of the OIP PMEG assessment. Dr Greene referred Council to detailed findings which are in the OIP PMEG Report (AS39/9.3). Building on the discussion already undertaken on OIP's maritime boundaries work, he advised that PMEG considered it appropriate that OIP recruit in-house legal expertise. He raised a number of issues on which to commend the OIP, including the increased number of formal publications from the team and congratulated the OIP Manager on his involvement with the AR5 IPCC process as a Lead Author on the Small Islands Chapter. PMEG also commended OIP on its continuing commitment to, and the progress of, the GeoNetWork.

119. In presenting the OIP PMEG report, Dr Greene noted the wide diversity of work in the Programme. He outlined the process for assessing the OIP and acknowledged that the sharing of PMEG assessments with the Programme staff might be improved in the future. He directed Council to the recommendations of the OIP PMEG that included the need for additional personnel and related procedures, the need for a corporate-level planner to prepare funding proposals and the potential value of purchasing of a dedicated vessel for multibeam work. Concerning Marshall Islands statement about PMEG noting its ongoing request for associated costs to be reported with programme activities, he observed that PMEG had conventionally addressed this in its assessments in the past, although not necessarily broken down programme by programme. He observed that undertaking this detailed level of examination of programmes would take more time. PMEG Chair reminded Council that the PMEG is a voluntary team of technical people who are familiar with SOPAC science but who are not professional assessors. He stated that if Council wants a comprehensive review of the technical programmes in the future, Council would need to pay professional evaluators to do this.

120. New Caledonia restated to Council that the purpose of the decision in 2003 to establish the PMEG was to review the relevance and content of technical work and observed again the predominant focus of the current OIP PMEG on personnel issues.

121. Australia observed that SOPAC had undergone an extraordinary year and that this might explain the number of personnel issues raised by the PMEG report. Recognising that 2011 would involve less disruption for staff, he offered that 2011 might be good time for the PMEG process to be able to return to a focus on technical programme issues.

122. On the same issues, the SOPAC Director advised that he was also surprised at the lack of technical critique in the PMEG report but agreed nevertheless that SOPAC is going through an extraordinary period so it was not altogether surprising that human resource issues would come to the fore. He suggested that the 2-day PMEG process might need to be revisited in the future and also – if Council needed – he would address PMEG cross-cutting issues on human resource management once the findings of all three technical programme PMEG assessments had been delivered to Council.

123. On the matter of expenditure detail in technical programmes reporting raised by Marshall Islands, the SOPAC Director referred Council to Item 15.4 on the 2011 Work Plan and Budget to be discussed by Council later in the meeting.– where each of the programme managers would at that point be invited to present on their expenditure and activities. In the interim, he drew the attention of Council to Table 5 of the proposed 2011 SOPAC Work Plan and Budget which itemized planned expenses for 2011 by programme and by theme. He suggested that if Council still required more detail perhaps a discussion on what other information was required would assist the Secretariat to embed the necessary information in future presentations.

124. Concerning New Zealand's comment on outputs, the Director noted that there was an intention to make a clearer link to the Strategic Plan, and he promised that following year's

reporting would be more specific. He also reminded Council that outputs would be articulated in the annual work plans and budget.

125. The Director drew the attention of Council to the full scope of OIP recommendations, noting that the provision by Council of sufficient financial resources would be critical to deliver on the recommendations. He also referred Council to paper AS39/9.2 Supplementary observing that this paper recommended the implementation of a regional study on the impact of wave climate change in coastal areas and that the generation of this paper had increased the number of recommendations for Council to consider under OIP.

126. Council noted the following recommendations out of the OIP PMEG, and that they were predominantly human resource and/or administration related, and referred them to the Director for follow up action as required:

- i. Given the upheaval caused by the pay harmonisation (banding) process the agency should consider reviewing appointment bands and revising them upwards wherever appropriate.
- ii. The existing SPC human resource unit should be expanded to handle the extra load of additional SOPAC staff to provide much needed services to the staff in relevant areas including staff pay, level advancement, leave, personal development and performance agreements.
- iii. SOPAC should appoint a Safety Officer and should take steps to ensure that adequate first-aid and small boat training was carried out and that essential safety equipment was available. A risk analysis and emergency contact list should be completed prior to every field operation.
- iv. Management should consider explaining to staff why the new arrangements are necessary for obtaining permission to travel (e.g. to avoid embarrassment of countries being unaware of SOPAC staff being in-country).
- v. SOPAC should consider hiring a specialist proposal-drafting person who could monitor opportunities for proposals and assist with preparing the generic content required in many proposals, prior to seeking input from specialists whose input may be needed only for particular aspects.
- vi. SPC/SOPAC investigate the cost effectiveness of purchasing its own vessel as the combined activities of the new agency may justify such an acquisition.
- vii. PMEG recommends that SOPAC seeks additional funding to support the currently unfunded eCS component of the maritime boundaries work.

127. The OIP PMEG Report is appended in full in Appendix 6.

10. WATER AND SANITATION PROGRAMME (WSP)

128. The Chair introduced Agenda Item 10 and the Programme Manager presented papers AS39/10.1 and AS39/10.2 to Council.

10.1 Report from the Water and Sanitation Programme

129. The WSP Manager highlighted the key WSP activities including key issues and constraints, reflecting on the Pacific's achievement against the MDGs, the transition of the former Community Lifelines Programme to the WSP with the associated staffing structure. The regional frameworks guiding the WSP work and WSP programme components were also highlighted as due for updating.

130. Marshall Islands thanked the Secretariat for the report on the Water Resources Component of WSP noting the funding shortfall for future work on hydrological assessment and monitoring. The representative reminded Council to bear in mind the critical importance of data in the development of national policies and called for an indication of support to this work in the future from partners in light of the fact that the Marshall Islands are in the process of developing their national water and sanitation policies.

131. The Cook Islands also registered their appreciation of the work being done by the WSP which touched on several programmes in the Cook Islands as well as future work already mobilised. He noted the shortfall in funding for future projects and stated their commitment to seeing how this could be bridged in the future. The Cook Islands further thanked the WSP for the lunch hour briefing provided earlier in the week giving a country-by-country account of progress with the IWRM Planning Programme recognising the importance of policy frameworks. He informed Council that through the IWRM Planning Programme the Cook Islands had been able to secure a policy officer at the national level to move the IWRM accountabilities forward.

132. The WSP Manager responded to the comments by the Marshall Islands recognising that the regional frameworks guiding the work being done by the WSP were outdated with it now being timely to bring partners and donors together to develop a strategy that is nationally owned and driven accounting for sustainable financing mechanisms whilst also linking into a review of these regional frameworks.

133. Following the presentation on the Water Services Component, the Marshall Islands expressed appreciation for the support received in this area particularly on the Water Quality and Water Demand Programmes and emphasised the value of long term on-going support from the WSP. She further illustrated an example of this support contributing towards community-based water quality activities being carried out on Ebeye on their own accord. The Marshall Islands highlighted this for the benefit of the partners with a view to seeking support for up-scaling and further funding in this area.

134. Under Water Governance highlights, the Cook Islands expressed their appreciation to the donors for the support given to the WSP on behalf of the countries in addition to sentiments raised previously on governance related issues themselves.

135. The WSP Manager further elaborated for Council responses of the WSP to the recommendations raised by the 2009 PMEG review over the year which primarily pointed out the need for a better strategic and programmatic approach for water and sanitation.

136. Council accepted the report on the 2010 Work Plan for the Water and Sanitation Programme, further noting the measures taken to address issues arising from the 2009 PMEG Report.

10.2 Issues and Opportunities of the Water and Sanitation Programme

137. The WSP Manager presented paper AS39/10.2 highlighting the issues of the declaration of access to water and sanitation as a human right; the need to revise the regional strategy for water and sanitation; the undertaking of a cooperative water audit; and the benchmarking exercise for water utilities in the Pacific.

138. Niue advised Council of the significant benefits received from the WSP of SOPAC and also from other donor agencies reinforcing their commitment to taking their national water and sanitation programme forward. He advised that in addition to this they have a very dedicated national water and sanitation team and have endeavoured to secure funding through the EU for a sanitation and hygiene initiative whilst also actively seeking other donors and partners to look at other issues such as alternative sources of water including rainwater harvesting.

139. New Caledonia also congratulated the work accomplished through the last reporting period of the WSP despite the difficult circumstances currently being experienced by the Secretariat both financially and institutionally as part of the RIF process. He echoed the sentiments of the WSP Manager on the issue of water and sanitation being recognised as a human right and was pleased with its transition from the previous Community Lifelines Programme structure (that included energy and ICT) to the current WSP structure. He registered keen interest in the HYCOS Project specifically given the complementary issues on hydrological data and its use in managing the issue of mining, given that New Caledonia is the fifth largest nickel producer in the world.

140. New Caledonia referenced the EU C Envelope OCT work and thanked the WSP Manager and the WSP for supporting New Caledonia to secure the regional OCT funds earmarked for water sector interventions. He also thanked Dr Jan Gregor (representing the WSP PMEG) for the 2010 review and commended the report as a good reflection of the work done.

141. The Cook Islands expressed sincere appreciation for the work that the WSP team had undertaken and repeated earlier sentiments on the need for a new Pacific regional water and sanitation strategy and the consultation processes to produce it. He also highlighted the upcoming IWRM Regional Steering Committee meeting to be held in the Cook Islands in 2011 and invited attendance of the IWRM focal points and national project managers of the IWRM demonstration projects. Furthermore, Cook Islands suggested that Council be alerted to the Results Oriented Monitoring (ROM) review commissioned by the EU on the IWRM Planning Programme and its recent positive outcome with respect to the SOPAC WSP.

142. The WSP Manager responded by informing Council that the positive results of the ROM review (a significant improvement from the 2009 review) are as follows: Relevance and quality of design – B; Efficiency of implementation to date – B; Effectiveness to date – B; Impact Prospects – B; and Potential Sustainability – C.

143. In light of the plans being presented to Council on the need for a new regional strategy on water and sanitation, the Marshall Islands mentioned the national efforts underway in the Marshall Islands linking in to the region initiative through the national consultation processes. The representative requested the Secretariat for support and assistance in preparing and engaging in the national process.

144. The Director suggested that the Drafting Committee could look at the language of the relevant recommendation on this issue and amend it accordingly to reflect that the WSP would be willing to do so.

145. The WSP Manager further informed Council that whilst attending the ADB Water Week in Manila from 11 to 15 October 2010 along with several other Pacific participants, the regional initiative was discussed with the ADB who advised that at this preliminary stage they were keen to support the process to undertake national consultations and link them to a new regional strategy. He advised Council however, that discussions were preliminary, and that the WSP would need to put effort towards more detailed planning with partners confirming support and Members would be advised in due course. He also advised that support from Council at this meeting for the regional review initiative would assist in moving it forward.

Access to Safe Drinking Water and Sanitation, a Human Right

146. Council noted the recent adoption of the United Nations Resolution 64/292 (July 2010) which declares the access to safe drinking water and sanitation as fundamental human right and the associated responsibilities from governments.

147. Council recognised the fundamental importance of access to safe drinking water and sanitation for the full enjoyment of life and all human rights and acknowledges the region's challenges in achieving the MDG Targets on Water and Sanitation by 2015.

148. Council recommended that the new division seek new and additional resources as a matter of priority to support Member countries with the fulfilment of these obligations including support for institutional arrangements required to fulfil the duties to respect, protect and fulfil in relation to the human right of access to safe drinking water and sanitation.

The need for a New Pacific Regional Water and Sanitation Strategy

149. Council noted that the Pacific regional strategy for sustainable water management adopted under the Pacific Plan was developed eight years ago and has been guiding implementation of regional support programmes to various degrees of success.

150. Council noted the active participation of several Pacific Leaders at the 1st Asia Pacific Water Summit, which resulted in their high-level commitment to water and sanitation. Council encouraged the new division to provide support to Members in their preparations for and participation in the 2nd Asia Pacific Water Summit to be held in Bangkok 2012, including providing assistance to secure the necessary financial resources.

151. Council noted the active involvement of Member countries in the Asia Pacific Water Forum and associated developments such as the Ministers for Water Security Initiative and the coordinating role of SOPAC for the Oceania sub-region.

152. Council recommended that the new division undertake a consultative process towards the revision of the regional strategy and action plan to address the urgent issues pertaining to the sustainable management of water resources and delivery of water and sanitation services. Council further recommended the revised framework be considered at a meeting convened at ministerial level and the outcome submitted to the 2012 Forum. Council urged the Secretariat to secure funding for the review process and associated meetings.

Pacific Cooperative Performance Audit on Access to Safe Drinking Water

153. Council recommended that the new division provide support to Supreme Audit Institutions and relevant water sector stakeholders in member countries to improve the effectiveness of management in the provision of access to safe drinking water.

Benchmarking of Water Utilities

154. Council recommended that the new division provide support to Pacific island water and wastewater utilities participating in the benchmarking exercise and actively collaborate with PWWA to help improve the performance of utilities.

10.3 Report from Programme Monitoring and Evaluation Group (WSP)

155. The Chair invited Dr Jan Gregor, PMEG reviewer for the WSP to present the outcomes of their review. Council was referred to the review report (AS39/10.3) for a full appreciation of the outcomes of the exercise. WSP PMEG recognised the drive and dedication of WSP staff to deliver support to the region and seeing the difference it makes. She reported that the impacts of projects commenced some years ago were now becoming visible in the WSP along with a maturing of the staff in terms of expertise and inter-connectedness of projects.

156. On the quality and appropriateness of the WSP interventions, she made the following observations:

- i. That Integrated Water Resources Management (IWRM) and Drinking Water Safety Planning (DWSP) were internationally acknowledged approaches and considered as the way forward in dealing with complex issues not only related to hard-core science. The approaches had been adapted in ways appropriate for the Pacific, considering small islands, governance systems and ways of working.
- ii. That Water Demand Management (WDM), Water Quality Monitoring (WQM) and HYCOS were tools that support the IWRM and DWSP approaches, at the heart of which was the importance of good quality and adequate quantity of data on which to base decisions.
- iii. The dialogue mode of working with, rather than working for, was absolutely appropriate, and was especially important where ownership of the need for a sustainable solution lies with the country.
- iv. The introduction of new tools like cost-benefit analyses was valuing adding to the work of the WSP.
- v. That at present public health links to water resources management was short on expertise in the WSP but this would potentially be available through SPC in the future.
- vi. The WSP team recognised the need for flexible capacity building approaches, purpose designed, using a mix of consultants, short visits, on-going mentoring and regional training and support, but within the constraints of project budgets.
- vii. The publications were of high quality, often in the form of a tool kit or practical guides.
- viii. That the Pacific was represented and respected on the international stage was attributed to the dedication of the staff and its leadership.

157. In moving forward, WSP PMEG drew Council's attention to the fact that although project funding for several projects in the WSP was coming to an end, there was still a need to provide these services and the WSP approach was to allow for more demand-driven support to Members, one-on-one, as and when the need arose – to ensure country ownership of the issues, solutions and progress. The end to funding also allowed for a consolidation period following an intense period of introducing new ideas and tools.

158. Dr Gregor further explained that in the short term, in some of the parts of the WSP where funding has ceased, the country-driven demand services may be somewhat reactive, but in the near future this will emerge into a responsive and programmed service if WSP can develop a joint strategy with each country closely linked to an existing or emerging national water strategy. She reinforced the statement previously mentioned under Item 9.2 by the Programme Manager that WSP's regionally-focused priorities had been guided by the three high-level endorsed regional strategies – but that these were aging and in need of review. The review activity was captured in the WSP 2011 work plan and would be important to the emerging WSP strategy.

159. Finally, WSP PMEG drew Council's attention to the last section of the WSP PMEG Report (AS39/10.3), and in particular to one of the responses to a questionnaire sent out to WSP country contacts which reflected the general sentiment of the responses received:

“This area will continue to be a very important area of need for [...], we thank SOPAC for the many years of assistance and look forward to continuing the partnership and improving water and sanitation at the country level.”

160. Council thanked WSP PMEG for the comprehensive report and acknowledged the highlights, achievements, key challenges, recommendations with respect to addressing the WSP needs of island Members and the country feedback. A copy of the PMEG report for WSP is part of the Proceedings Volume in Appendix 6.

11. DISASTER REDUCTION PROGRAMME (DRP)

161. The Manager thanked Council for the opportunity to report on the work the Disaster Reduction Programme (DRP) undertook since the 38th Session and expressed his appreciation to the DRP staff for the implementation of the work programme. He referred to the papers before Council on the DRP annual report (AS39/11.1), DRP Issues and Opportunities (AS39/11.2) and PMEG Report for the Disaster Reduction Programme (AS39/11.3).

11.1 Report from the Disaster Reduction Programme

162. The DRP Manager presented a summary of highlights in terms of the activities of each of the functional 'teams' in DRP. Activities highlighted included the following:

- i. Ongoing implementation of the EU EDF 9 C Envelope Project supporting disaster risk reduction in three French Pacific territories and Pitcairn.
- ii. Development of the first Joint Disaster Risk Management and Climate Change Adaptation National Action Plan in the Pacific by the Tongan Government.
- iii. The disaster risk reduction projects portal for the Asia-Pacific region launched in August 2010.
- iv. The 3-year extension to The Asia Foundation (TAF)/Office of US Foreign Disaster Assistance (OFDA) Pacific Disaster Risk Management Programme.
- v. The new disaster risk management (DRM) governance arrangements being developed for Tuvalu and Kiribati.
- vi. The mid-term review of the Pacific Disaster Risk Reduction and Disaster Management Framework for Action.

163. The DRP Manager took the opportunity to mention that there had been a side event earlier in the day for the benefit of the eight-country beneficiaries of the Disaster Risk Reduction in Eight Pacific ACP States (B-Envelope) Project. The countries represented at the side event – Papua New Guinea, Palau, Marshall Islands and the Solomon Islands – had expressed gratitude for the support under the Project and reaffirmed the importance of the interventions in providing access to safe drinking water and in building resilience in the area of emergency communications and emergency operation centres. They also indicated the need to address the issue of sustainability and emphasised that assistance was required to help build capacity and to advocate for increased resources from the relevant governments.

164. The representatives of the eight target countries of the B-Envelope Project expressed their appreciation to the European Union for making resources available to address priorities under the Project. In relation to the issue of sustainability the European Union and the Secretariat had assured target countries that implementation would not be affected by the shift of contractual responsibilities to the SPC from 2011.

165. The Project Manager for the EU-funded EDF 9 C Envelope Project (also known as the OCT Project) was invited to present a progress report to Council and stated specific examples of country engagements in French Polynesia, New Caledonia, Wallis and Futuna and Pitcairn Islands. The OCT Project Manager also stated that the goal of the Project was to reduce risk of natural disaster and water-borne epidemics/diseases. National interventions coupled with regional action was advocated to promote exchange and the integration of OCTs into regional networks and coordination mechanisms in the Pacific. She noted that by the end of the OCT Project (December 2012) target communities would have more understanding of hazards and risks; strengthened measures in place to reduce risk; besides an improvement of OCT collaboration with other Pacific island countries.

166. French Polynesia thanked the DRP for the presentation and acknowledged the work undertaken in PICTs and thanked the EU for providing funding to realise the EDF 9 C Envelope Project.

167. New Caledonia also thanked the EU for the financial support to the EDF 9 C Envelope Project besides paying tribute to the work of the Project Manager.

168. Australia congratulated DRP and in particular the Project Manager of the OCT Project for the work undertaken and noted that there was further interest in data selection and risk modelling in the PICTs and enquired as to the extent to which SOPAC staff were involved in the activities.

169. The OCT Project Manager stated that staff of SOPAC OIP would be involved in the acquisition of topographic and bathymetric data and were leading the modelling and development of maps. Staff of the WSP would also be involved.

170. Council accepted the report on the 2010 Work Plan for the Disaster Reduction (formerly Community Risk) Programme, and noted the measures taken to address issues arising from the 2009 PMEG Report.

11.2 Issues and Opportunities for the Disaster Reduction Programme

171. The DRP Manager raised the issue of the sustainability of support for the EU EDF 9 B and C Envelope projects. The extent and depth of support to the countries and territories in the areas under the coverage of these projects needed to be maintained beyond the life of the projects.

172. The DRP Manager briefed Council on the following emerging opportunities for 2011:

- i. Integration of climate change adaptation (CCA) and disaster risk management (DRM) mainstreaming initiatives. With the need for improved coordination and more joint programming, the potential was emerging for the integration of the Pacific Platform for Disaster Risk Management and the Climate Change Round Table.
- ii. The Pacific Regional Desinventar Project could be used as a mechanism to progress 'pilots' undertaken for Vanuatu and Solomon Islands in the last two years.
- iii. TAF/OFDA support for the SOPAC leadership role of for DRM training.
- iv. Early Warning System support from UNESCO/IOC in terms of a two-year specialist position based in DRP to support the Pacific Tsunami Warning System.
- v. Ongoing World Bank (WB) support for risk exposure databases.
- vi. WB capacity support for the DRP in terms of an in-house position at the DRP.
- vii. WB Global Facility for Disaster Reduction and Recovery (GFDRR) support under the EU EDF10 ACP-EU Natural Disaster Facility with a focus on regional and sub-regional support; national disaster risk reduction investments; and rapid response to disasters in capacity building e.g. through post-disaster needs assessments.
- viii. The EU EDF 10 ACP-EU Natural Disaster Facility for which a 5-year preliminary plan was due by 12 November 2010 for submission to the ACP Secretariat in Brussels.

173. Samoa thanked the DRP Manager for the excellent presentation that generally reflected the extent of what had been carried out at the national level. For the record, Samoa had undertaken a lot of work in raising the profile and mainstreaming of DRM in national development planning processes. This was partly attributed to the high-level support and range of advocacy activities already undertaken at national level. The advocacy has translated into Samoa getting disaster risk management integrated into the National Development Plan, certain sector plans and the corporate plans of line ministries. There had also been allocations of national funding to budgets

of line ministries, evidence of ownership and the importance the Samoan Government places on disaster risk reduction and disaster management.

174. Samoa wished to provide a few amendments to the list of activities funded by SOPAC to the Samoa Disaster Management Office through DRP under Phase 1 "Implementation Letter of Agreement". Samoa also had amendments to the "Results to date" section of Annex 2 of paper AS39/11.1.

175. Samoa registered interest on being part of the Pacific Regional Desinventar Project and stressed the importance of exploring the possibility of the formulation of a group of seismologists and geophysicists from member countries for the exchange of valuable information and sharing data. This would allow dialogue on experiences, best practices and lessons learnt on seismic related initiatives and issues.

176. Australia thanked the DRP Manager for the comprehensive report on the Programme and expressed an interest in seeing emphasis increased on disaster risk modelling with respect to the socio-economic impacts of disaster risk.

177. Tonga expressed their appreciation for DRP and SOPAC support and highlighted that the development of the Tonga joint Climate Change Adaptation/Disaster Risk Management National Action Plan was made possible through political level commitment and the Tongan Government's decision to mainstream climate change.

178. Council directed the new division to (i) ensure the Pacific Platform for Disaster Risk Management continued in 2011, and (ii) work closely with SPREP to ensure the need to link DRM more closely with CCA at national level was supported through the closer functioning of the Climate Change Roundtable and the Pacific Platform for DRM.

179. Council noted that the resource support provided under the existing EU EDF 9 B and C Envelope Projects targeting disaster reduction would conclude in 2011-12, and primarily supports national activities. Council strongly encouraged all Members to secure similar funding modalities in order for sustained long-term support from the SOPAC work programme.

180. Council acknowledged with appreciation the new 3-year extension of the TAF/OFDA support to the DRP; commended the new opportunities identified to enhance current DRM initiatives and encouraged donors and partners to provide resources accordingly. These include opportunities with the World Bank Global Fund for Disaster Risk Reduction (GFDRR), the EU EDF 10 ACP-EU Natural Disaster Facility and emerging bilateral initiatives between the Secretariat and the UNESCO Apia Office and the World Bank (Sydney Office).

11.3 Report of the Programme Review Monitoring and Evaluation Group on DRP

181. The Chair of DRP PMEG, Doug Ramsay, presented the report on behalf of the team. He noted that the review focused on four issues: (i) key achievements and highlights; (ii) programme recommendations; (iii) challenges and opportunities; and (iv) new initiatives, with special focus on the perspective of programme staff on the integration with SPC and the associated opportunities and challenges.

182. The DRP PMEG Chair noted the following key achievements of the programme:

- i. Continued strong leadership and effective management by DRP Manager.
- ii. The Pacific Platform for Disaster Risk Management for policy guidance, partnership building and monitoring had benefitted from having a staff member dedicated to coordinate and develop platform activities.

- iii. Mainstreaming DRM into national planning and developing of national action plans (NAPs).
- iv. PMEG recognised the considerable and effective contribution made in a very short space of time, by the new Project Manager of the OCT Project to support disaster risk reduction in Pacific EU Overseas Countries and Territories (OCTs).
- v. Economic analyses of disaster impacts and mitigation measures for evidence-based decision making has been further strengthened by the recruitment of an economic adviser to boost the policy and planning function of the DRP.
- vi. The efforts of the Risk Reduction Team (of the DRP) at ensuring that the building and infrastructure data collection exercise in fourteen Pacific Island Countries as part of the development of the ADB-funded risk exposure database remained on track. Data collection has resulted in detailed building information collected for almost 100,000 buildings across the region and represents the largest datasets of its type in the Pacific region.
- vii. The TAF/OFDA Regional Training Programme established linkages with other regional training providers, specifically on the development of a new graduate certificate programme in DRM with the College of Medicine of the Fiji National University to commence in 2011.
- viii. The Training and Capacity Building Team provided substantial support to improve disaster response coordination during the past year through developing standard operating procedures to support national and district emergency operation centres, a tsunami response plan, and in conjunction with other Pacific Platform partners, an inter-agency disaster simulation exercise which involved participants from nine Pacific island countries.
- ix. The DRP team's recognition of a gap in services provided to island Members, and accordingly establishing a new position to coordinate community-level DRM activities in response to country-driven demand. Requests from countries for support at the community level, in particular for coordination of actors and overall guidelines, validate the relevance of this new position.
- x. DRP improved dissemination of information on both DRP and Pacific Platform activities through the relaunch of the *Snapshots* and *Footprints* newsletters as well as being represented in the newly established media/communications team to provide timely press releases.
- xi. The Pacific Disaster Net representing an extensive repository of Pacific-related disaster risk management information.

183. PMEG made recommendations for the DRP relating to: a) the Pacific Platform for Disaster Risk Management; b) the integration of Disaster Risk Management and Climate Change Adaptation; c) NAP implementation; d) the EU EDF B-Envelope Multi-Country Project; e) the TAF/OFDA Regional Training Programme; f) the Pacific Disaster Net; g) the ADB/World Bank Risk Exposure Database; and h) monitoring progress and reporting results.

184. PMEG invited Council to note the following special challenges and opportunities:

- i. Realising opportunities associated with the integration with SPC.
- ii. Donor coordination/proposal writing/contract negotiation support placed substantial demands and pressures on programme management and key senior staff, and consumed a considerable amount of time at the expense of project delivery and programme management.

- iii. Recent experiences around the initiation of new projects, including the critical recruitment and staffing dimension, needed to be reviewed within the Executive Management Team.
- iv. Managing staff workload raised as an issue for SOPAC on an annual basis with policies not being in place or not being applied proactively enough organisation-wide to ensure the well-being of staff before problems do occur.
- v. The expansion of the DRP team over the last year had placed considerable additional burden on the current level of administrative support.
- vi. Staff professional development.

185. Council thanked PMEG for the comprehensive report and acknowledged the highlights for 2010, issues and opportunities presented and endorsed the recommendations. A copy of the DRP PMEG report is part of the Proceedings volume in Appendix 6.

12. TECHNICAL SUPPORT SERVICES

186. The Director presented the Agenda Item 12 on behalf of the staff involved in these programmes highlighting that they were cross cutting all of the technical work programmes and supporting executive management.

12.1 Natural Resource Economics

187. Director presented paper AS39/12.1 and advised Council about work by the group that was not specific to any one of the technical programme areas.

188. The Pacific Resource and Environmental Economics Network (PREEN) was co-founded with the SPC and the International Union for Conservation of Nature and Natural Resources (IUCN). He mentioned an upcoming workshop related to the PREEN to be convened in New Caledonia the following month. Whilst the energy accountabilities of SOPAC had shifted to the SPC, NRE continue to work closely with the SPC energy team on initiatives such as training on renewable energy and energy labelling.

189. New Caledonia was supportive of Technical Support Services and said that the resource economics group in particular would come in very useful and the number of issues that they would have to deal with would become numerous. He called for the best possible synergy in the merge with SPC as he expected work load to expand greatly.

190. Council noted the excellent work of the Natural Resource Economics team reported on under the technical work programmes and encouraged the strengthening of the PREEN Network and the work with other divisions of SPC.

12.2 GIS and Remote Sensing

191. Director presented paper AS39/12.2 and recalled that in his opening comments and tribute to the late, Phillip Muller, that the former Director of SOPAC had singled out the GIS and Remote Sensing utility to be one that would undergo dramatic growth over the years. The service has grown within the Secretariat to where SOPAC was now possibly one of the leading organisations in the region to use, develop, promote and train in the area of GIS and Remote Sensing.

192. The strength of SOPAC in GIS and Remote Sensing is evident in the continued and frequent requests to SOPAC for assistance in using, as well as training in basic GIS skills.

193. In other CROP agencies and at the national level, GIS and Remote Sensing has become a versatile tool in decision making. Nonetheless in the context of staying at the cutting edge of technology, the SOPAC unit is also involved in method development work to support countries as well as Secretariat work.

194. Key areas of work were highlighted included the following:

- i. Data Service (in terms of image data purchase, image data pre-processing, Digital Terrain Modelling (DTM) generation and shallow water bathymetry, vegetation mapping and monitoring and the establishment of Reference Image Points (RIP))
- ii. Method Development and Adaptation
- iii. System Installation and Maintenance
- iv. GIS and Remote Sensing and GPS Training
- v. Information and Networking

195. In the area of vegetation mapping and monitoring, the Secretariat was already working with the SPC and the Fiji Forestry Division.

196. For Reference Image Points, SOPAC was involved with the GPS surveys for the rectification of satellite images for up to a metre accuracy, sometimes even sub-metre accuracy.

197. Marshall Islands thanked the Secretariat for assistance in the past to build the GIS and Remote Sensing capacity in the region. The representative recognised that the GIS and Remote Sensing tool was under utilised and could potentially be used to visualise for policy makers areas of interest. Marshall Islands sought synergies with its own Sustainable Land Management Project, with particular interest in vegetation mapping, as well as the Micronesia Challenge. The representative said that a request would be forthcoming to the Secretariat for further assistance in the areas mentioned.

198. Cook Islands relayed their ongoing support for the GIS and Remote Sensing work undertaken by the Secretariat supported all the recommendations of the paper. Cook Islands welcomed the vegetation mapping work as it would support Members in their bid to adapt to climate change. Being part of the ministry responsible for implementing the Pacific Action on Climate Change, Integrated Water Resource Management and Sustainable Land Management, the representative relied on GIS to creatively present information to the higher levels of authority and was expecting to request assistance along those lines soon.

199. Niue echoed the support expressed for the GIS and Remote Sensing work and was in the process of completing the cabling of the telecom optical system in the country. Niue noted that its MapServer was not operational and requested SOPAC assistance for reviving the MapServer and other IT infrastructure.

200. Council acknowledged the highly specialised technical support services provided by the GIS and Remote Sensing team at the Secretariat and urged the Secretariat to continue to work with the donor partners to ensure this work continued as it was vital to supplement the lack of capacity at national level.

201. Council reaffirmed that spatial presentation of data through GIS and Remote Sensing modalities was key to improving information and knowledge for decision-making in national planning within government, utility corporations and other organisations.

12.3 Technical Equipment and Services

202. The Director presented Paper AS 39/12.3 and clarified that whilst this was a cross-cutting service, the major portion of its work was in supporting the marine survey related elements of the work of the Ocean and Islands Programme; and the unit was managed within the OIP. Nevertheless, he explained that outside of the OIP work, the unit supported a lot of GIS work such as surveys for Reference Image Points and GPS surveys to correctly reference positions of islands with respect to their locations on the surface of the earth.

203. New Caledonia thanked the Director for the presentation on this area and acknowledged that the strength of the organisation was in the strength in this particular team in working with countries in the field. He sought clarification on where the work undertaken by Robert Smith was reported as the paper tabled did not include any of it.

204. The Director responded that the paper in this Item highlighted the work undertaken outside of the OIP by the Technical Equipment and Services; and Robert Smith's work had been reported by the OIP Manager the previous day.

205. Fiji also wished to register appreciation for the work done for Fiji during the year.

206. French Polynesia recognised and valued the work being done in this area and enquired as to the number of staff working in the unit. The OIP Manager responded that the technical support workshop had five staff; and the Director mentioned in closing that the GIS and Remote Sensing section also had five staff but there were also other staff involved in GIS projects working directly in each of the technical programmes.

207. Council noted the work carried out by the Technical Equipment and Services.

12.4 Data Management

208. Director presented paper AS39/12.4, referring to the programme of work across the Secretariat with respect to data management in general. He made specific reference to the compilation of images, maps and charts currently being carried out at the Secretariat with a view to making them more accessible.

209. The Director explained that there was recognition at corporate level that the collection of images, charts and maps produced over nearly 40 years of the organisation needed to be categorised and captured for better security and accessibility. To this end a central Electronic Data Management System (EDMS) had been established to register all documents and images captured from across the programmes of work of the Secretariat to collate a SOPAC compendium of work for each Member. The Director assured Council that the central EDMS was designed to 'interrogate' all other existing databases and did not interfere with the integrity of the original datasets or other data management systems, for example, Geonetwork, that is maintained by the Ocean and Islands Programme.

210. The Director further assured Council that the Secretariat recognised certain confidentiality clauses assigned to various datasets such as the licensing of satellite images from various companies. The Secretariat recognised the need to collate all the information and converting from various historical forms to digital form to ensure better accessibility and security. The exercise was time consuming due to the volume of material to process, quite apart from the due care because of the levels of confidentiality assigned to different items in the collection.

211. The Director introduced the web portal that was launched in July 2010 that was an indication of the success of, and advances in, the exercise to date. He reported that between June and September the number of hits on the SOPAC website in Fiji alone increased from

53,000 to 104,000 indicating the increase in interest both internally and externally to access the SOPAC portal. Kiribati hits on the web portal for the same period, the Director noted, increased from 900 to 3600. This was taken to mean that the website was working in a more user-friendly manner. A part of the new website deals with the latest press releases from the Secretariat as well as press clippings from other media around the region on SOPAC work. In the period August to September 2010, the increase of external media coverage of SOPAC probably indicated the greater level of awareness of the work of the Secretariat shown through the web portal.

212. The Director highlighted the mixed success of the work related to the MapServers in the region, and acknowledged that a lot of countries were not using their MapServers but at the same time, there were some that had operational MapServers and were using them successfully.

213. Papua New Guinea informed Council that its MapServer was operational.

214. Samoa fully supported the compendium project and looked forward to receiving the datasets for the last 30 plus years, and also welcomed the new-look SOPAC website.

215. Vanuatu stated that its MapServer was not operational and requested the Secretariat to assist them in reviving it.

216. Chair informed Council that the SOPAC Compendium Project was going to be presented to Members in greater detail at the lunch break.

217. Council noted the excellent work being done in respect of data management and its critical role to protecting intellectual property of Members and ensuring it became more widely available and used at the national level. In this respect Council urged the Secretariat to secure new funding and re-establish the national MapServers in order to facilitate access to information stored in spatial GIS databases that can be used for national planning purposes.

12.5 Publications and Library

218. The SOPAC Compendium Project being undertaken by the Data Management and the Publications and Library teams was introduced to Members at the lunch break and the ensuing discussion with Members is summarised under Item 12.5.

219. The Director mentioned that with the Compendium, the key was to make sure that information was readily available through a secure and easily accessible database for all.

220. Tonga and the Cook Islands acknowledged and appreciated the immense effort required to pull together the SOPAC Compendium.

221. Niue thanked the Secretariat for the work carried out on the Compendium, which he stated contributed to the safekeeping of data and information for years to come and acknowledged that some of this data may not be in the countries themselves. He also requested that the MapServer project be resurrected.

222. Fiji and Papua New Guinea echoed the sentiments of other Members on the Compendium and registered appreciation for the immense amount of work involved. Both enquired after the question of confidentiality and security of information with respect to who made the decision on who was able to access the data now and going forward into SPC.

223. The Director stated that the Secretariat recognised that in making the information more widely available that there were issues of confidentiality and licensing. He also noted for Council that most SOPAC documents are public as can be seen in the Virtual Library; however, on the issue of satellite imagery specifically, as soon as imagery was purchased and there was value added to it through work of the Secretariat, it became Member country and SOPAC data. He

further added that it was the area of expertise of the SOPAC GIS and Remote Sensing section to take the raw products and value add to it in various ways.

224. In response to the enquiry on access to restricted information, the Director assured Council that it was he (as Director) that would be responsible for handling such issues by taking a precautionary approach and barring any access if there was uncertainty as to the confidentiality of the information or data. The current procedure was that the Director would discuss the matter with the Member country concerned before responding to those applying for access. He noted that the intention was to inform people of the type of work SOPAC did whilst allowing better access by Member countries to their own datasets. The Director advised Council that he was currently working with the Director General of the SPC to outline a policy on the way forward in this area.

225. Australia commended the Secretariat on the initiative particularly in the time of transitioning into SPC and that it was a step toward addressing intellectual property issues. The representative added that the completed exercise would be the envy of similar technical organisations.

226. SPREP congratulated SOPAC on the undertaking particularly noting that this was done with existing resources. She noted ongoing commentary on the lack of data from countries however this project illustrated that there was in fact data in some areas spanning forty years. She stated that Member countries would not be the only beneficiaries, but CROP would also benefit. With respect to the restricted access material, she suggested that a list of what was actually in the collections for information only would be useful; but recognising that access to some of the sensitive data would be subject to the approval of the Director of SOPAC (in conjunction with Members).

227. The Director closed discussions on the issue of data security – stating that it was very much on the radar and work was in progress to address that aspect. He also stated that the exercise may take several more months to complete and thanked the Compendium team for their presentation to Council.

228. Council acknowledged the significant technical support service role provided by the Publications and Library staff for SOPAC and agreed it be retained in the new Division as a key support service as reflected in the Strategic Plan 2011-2015. It must remain at the Mead Road campus in order to be most supportive and effective.

229. Council strongly supported the Compendium Special Project, and recognised the e-based outcomes for each island Member provides the record of the intellectual property gathered and looked after by SOPAC “The Commission” over the past nearly 40 years for some Members. This Project must be completed recognising that this is a rare opportunity that must be captured.

230. Council recognised that the importance of issues of data security and data copyright linked to the desire to improve data access and awareness to the public at large. Council urged the Director to develop an appropriate policy in consultation with Members and the Director General of SPC, and in developing this policy take into account the current procedure in regard to working with Members for permission and agreement.

13. 2011- 2015 STRATEGIC PLAN⁴

231. Chair invited SOPAC to present the proposed 2011-2015 SOPAC Strategic Plan. The Director referred Council to paper AS39/13 which outlined the Plan, noting that it had been developed in response to a request from Council in 2009 and also because the last SOPAC strategic plan expired in December 2009.

⁴ Item 13 was considered by Council after Item 6.2

232. The Director indicated to Council that the proposed plan was designed with the intent of guiding the progression across the bridge from SOPAC 'the Commission' to SOPAC the new Applied Geoscience and Technology Division of SPC. He drew the attention of Council to the proposed three main technical programmes of the new division (Oceans and Islands, Water and Sanitation and Disaster Reduction) as well as the technical support services. He flagged that while the Corporate Services of SOPAC had been included in the Strategic Plan, it was possible that this team might ultimately be incorporated into the broader Corporate Services of SPC-Suva. He also mentioned the higher-order key results areas (KRAs) approach that provided for linkages to the work of various other stakeholders including other divisions within the SPC. Council was invited to consider the Strategic Plan; identify any necessary changes and support it to enable its implementation from 1 January 2011.

233. Cook Islands expressed his support for the content of the proposed 2011-2015 SOPAC Strategic Plan, noting that he had been involved in developing it. He also noted that Members had already contributed some language to the Plan prior to the meeting and he endorsed it as it stood.

234. New Caledonia commended SOPAC for the Plan and thanked the SPC for its assistance in developing it. He welcomed the introduction of KRAs into the Plan, noting that KRAs 1 to 3 related to the technical service delivery but noted the different nature of KRA4. He suggested that KRA4 might be better couched as an overarching one over KRAs 1 to 3.

235. The Director confirmed that KRAs 1 to 3 of the Plan were technical in nature, interlinking and cutting across the work of the technical programmes. He acknowledged the different nature of KRA4 but highlighted that its presence in the Plan in its current format was consistent with that of other divisional plans of SPC. Nevertheless, he advised that SOPAC was prepared to re-describe that particular KRA provided that SPC was supportive (since the divisional plans of SPC needed to be consistent). On this matter, the Director General of SPC advised that SPC tends to express technical outcomes as a priority in its strategic plans while setting the KRA on institutional organisation and delivery behind these.

236. Papua New Guinea observed that they had been part of the team that had created the Plan and stated that he was happy to endorse it. Palau also lent its support for the Plan.

237. New Zealand enquired whether the Secretariat intended to collect baseline information from which to measure outcomes.

238. Australia noted New Caledonia's reference to KRA4 and preferred greater emphasis on the integration with SPC, including incorporating Corporate Services fully into it. He advised that the document should be a living one as he envisaged it would need further refinement given that SOPAC is presently in transition. He sought further advice on tracking of progress in reference to the New Zealand enquiry with respect to baseline information upon which to measure outcomes.

239. The Director confirmed that the detail to inform a baseline for tracking the progress of the Strategic Plan would be collected through implementation of annual work plans and budgets; and advised that the necessary link between the annual Work Plan and Budget and the Strategic Plan would be further clarified in the final document. The Director also advised that a mid- and end-term review of progress against the Strategic Plan would be conducted; further advising that the SOPAC Division would ensure that its integration with SPC was articulated better in the plan.

240. Marshall Islands acknowledged the work that had already been undertaken to generate the plan and expressed support of it. The delegate sought clarification on the process for the Plan from this point. The Director noted that the Plan would be revised in light of comments provided by Council and then be passed on to the SPC CRGA for consideration. Beyond the CRGA the Plan would be reviewed and edited for final production.

241. Nauru endorsed the plan and pointed out that the data regarding the size of the Nauru EEZ needed to be corrected from 310,000 km² to 320,000 km². The Director noted the request and also the fact that the SPC statistics on Members' exclusive economic zones would consequently need correction.

242. Niue commended the Secretariat for the Plan and supported it. He enquired whether the document could include anticipated donor funding to support the work programmes in the future and to also clearly identify projects underway. The Director advised that it was not possible to capture reporting on donor funding in a forward looking document like the Strategic Plan, but that this could be undertaken on an annual basis in the context of the reporting on the annual work plan and budget.

243. Fiji, Tonga, French Polynesia and Vanuatu all expressed support for the Strategic Plan with French Polynesia and Tonga echoing the sentiments of other members with respect to the 'living' nature of the document.

244. French Polynesia further stated that the Plan did not sufficiently reflect new developments that might occur over time, particularly in relation to Corporate Services and the economies of scale that would emerge from SOPAC's absorption into the SPC.

245. The SOPAC Director agreed that the plan was indeed a 'living' document and that the Secretariat would ensure that text was provided in the plan to accommodate the potential economies of scale that would arise from SOPAC's transition into SPC.

246. Solomon Islands commended the Secretariat for including the probable revival of the Earth Science and Marine Geology training course, which had produced some of the best Solomon Islands technical officers. He enquired where onshore mineral resources and energy were addressed in the plan. The Director advised that the revival of the earth sciences training courses would depend on access to financial resources and that the explicit support expressed for the earth science course by beneficiary Members like the Solomon Islands would be helpful in seeking this financial support. On the matter of onshore minerals, the Director advised that SOPAC would revisit the text to ensure that the issue of onshore minerals was sufficiently covered. Council was reminded that the energy component of the SOPAC functions had already been transferred to the Economic Development Division of the SPC early in March 2010. On the other hand, resource assessment activities associated with geothermal and hydrocarbon resources logically remain with SOPAC.

247. Chair noted widespread support for the proposed strategic plan and the recognition that it was a 'living' document and invited the Director General of SPC to comment on it.

248. The Director General of SPC confirmed that SPC staff had participated in some meetings during the development of the plan – reminding Council that the Strategic Plan had been developed in response to a request from the SOPAC Council in 2009 and that Council needed to be mindful that the Plan had to not only make links to SOPAC's past activities but also to its future activities over time as a division of SPC. To this end, he noted the need to review and amend the plan over time. On the matter of linking SOPAC activities to those of SPC, he mentioned that page 6 of the Plan made links with SPC in relation to sustainable financing. He also reiterated that the Secretariat comments that the Plan was a strategic-level document which would be translated each year through the annual work plans and budgets. Given the dynamic nature of the document, he also observed that reviews of the document would happen after SOPAC becomes a division of SPC. The Director General also noted that SOPAC functions would then be servicing existing SOPAC clientele and future SPC clientele; and expressed satisfaction with the level of SPC involvement in the development of the plan to date and that he considered the plan to be a good way forward.

249. The Secretariat acknowledged the positive feedback by Council on the proposed Plan. The Director confirmed that the SOPAC Strategic Plan 2011-2015 document was 'living' and would be revised in its lifetime. He reminded Council that the Plan was intended to guide the transition of SOPAC from a Commission to a Division and that it was, by necessity, flexible. In relation to integrating with SPC, he added that when the plan was being reviewed in one or two year's time, Members would be in a position to consider repackaging SOPAC and SPC programmes.

250. Vanuatu requested an update on the long-term financing strategy of SPC and how it linked to the divisional Strategic Plan. The Director General of SPC advised that Part 1 of the Sustainable Financing Strategy to distinguish SPC's most critical from its less critical functions had been completed. Council was advised that all of SOPAC's functions had been classified as most critical and that an in-depth analysis may now be needed in the next phase to determine what to do with the less critical functions of SPC. There would then need to be an assessment of the cost of delivering the remaining functions. On this matter, SPC acknowledged that activities covered by recurrent budgets were fairly sustainable while those covered by project funding were not. SPC aimed to finalise the Long-Term Sustainable Financing Strategy document in 2011 and this would describe the most critical functions, their costs, how they would be resourced in addition to how to fund any gaps. He repeated the reference on page 6 of the new SOPAC divisional Strategic Plan which linked itself to SPC's sustainable financing strategy and suggested that text could be inserted in the same vicinity on the high priority placed on SOPAC's functions by the SPC.

251. Council acknowledged the 'living' nature of the proposed Strategic Plan 2011-2015 for the new Applied Geoscience and Technology Division given the period of transition associated with the integration of the SOPAC work programmes into the SPC. Council expected that the Plan would undergo review and refinement within its lifetime as integration into SPC progresses.

252. Council approved the 2011-2015 Strategic Plan for the work programme of the new Applied Geoscience and Technology Division of the SPC, noting the commitment of the Director of SOPAC to make various amendments as directed by Council.

253. Council recommended the Plan to SPC/CRGA for its consideration and endorsement as the Strategic Plan for the new Applied Geoscience and Technology Division of SPC from 1 January 2011.

14. DIRECTOR'S REPORT

14.1 Financial Report 2009

14.1.1 2009 Audited Financial Statements, Auditor's Report and Management Report

254. The Secretariat referred Council to paper AS39/14.1.1 and presented the 2009 Audited Financial Statements, Auditors Report and Auditors Management Letter. The Secretariat noted two key issues highlighted in the audit being the inflation in revenue in 2009 and the issue of recoverability of Membership fees which have been explained in detail in the paper.

255. The Director and Chair asked that the recommendation be revised to remove reference to the issue of recoverability of Membership contributions which was to be discussed under Agenda Item 4.2.2.

256. Council received and accepted the 2009 Audited Financial Statements, Auditor's Report and Auditor's Management Letter.

14.1.2 Report on 2009 Regular Budget Variance and Virement of Funds

257. The Secretariat presented paper AS39/14.1.2 on the 2009 Budget Variance and Virement of Funds noting the Regular Budget (RB) Expenditure Variance Report (Annex 1), Explanations Report (Annex 2), the Savings Achieved (Annex 3) and an overall Variance Summary Report (Annex 4).

258. The Secretariat clarified for Council that the savings highlighted in the paper were against the budgetted items and were not real savings.

259. Vanuatu queried the expenditure variances specifically the issue with respect to leave accruals as per Annex 2 Component 2 of the paper enquiring whether SOPAC staff were paid for leave not taken. The Secretariat responded that staff were not paid for un-utilised leave.

260. The Director commented further on the issue of accrued leave – that the SOPAC policy as part of the budget process was that SOPAC did accrue leave entitlements to staff. Nevertheless staff were not paid for accrued leave which was not taken. In the context of the transition into the SPC in January 2011, the Director further clarified that an agreement had been reached with the Director General of SPC that an acceptable level of accrued leave entitlements for transfer to SPC was one year's worth of leave. SOPAC staff would transfer from SOPAC to SPC contracts on 1 January 2011 and their accrued leave entitlements would also transfer; therefore staff were currently being encouraged to keep leave balances within the agreed acceptable amount.

261. Vanuatu sought further clarification that in instances where leave exceeded the annual leave allowance, would it then fall under the consideration of the Corporate Manager. The Secretariat responded in the affirmative.

262. Council noted and accepted the Report on 2009 Budget Variance and Virement of Funds.

14.1.3 Report on Assets and Inventory written off for the year ended 31 December 2009

263. The Secretariat introduced paper AS39/14.1.3 and reported to Council on the Assets and Inventory written off for the Year ended 31 December 2009.

264. Vanuatu noted that two items being written off were because they were stolen and enquired as to the security situation at the Secretariat.

265. The Secretariat responded that the SOPAC compound which is hosted within the Fiji Government Mineral Resources Department compound has a security system in place as well as security guards; however, there were four access points which were sometimes difficult to manage. Council was further advised that as part of the transition process into SPC, security will be reinforced at the Secretariat which it is hoped will contribute to minimising assets losses due to theft.

266. Council accepted the report on assets and inventory written off for the year ended 31st December 2009.

14.2 Report on 2010 Accounts to 30th June

14.2.1 Report on Financial on Accounts for the 6 Month Period to June 2010

267. The Secretariat referred Council to paper AS39/14.2.1 and reported on the Financial Accounts for the 6-month period to June 2010.

268. Australia suggested that given that the report presented by the Secretariat was an unaudited report that the recommendation in the paper be changed to reflect Council “noting” the report without a need to accept it.

269. Council noted the Report on the 2010 Accounts to 30 June.

14.2.2 Membership Contributions and Arrears

270. Director introduced the revised version of paper for the Item (AS39/14.2.2 revised) that had just been circulated at that point. It was highlighted that a Member of Council had just paid their Membership contribution so the paper reflected additional funds just received by the Secretariat.

271. The Director highlighted the issue that was raised in the 2009 Auditors report referring to the arrears in Membership contributions, noting that while the report provided some guidelines for addressing the issue, it stopped short of offering any solutions as to how to get out of the arrears situation. The last paragraph referred to in AS 39/14.2.2 revised recorded the following:

“A provision for doubtful debts shall only be made against a member country contribution if the debt is outstanding after more than 3 years. A write-off shall only be effected after a resolution of the Council is obtained.”

272. Council was requested not only to consider the Auditor’s Report, but also to arrive at a decision at this meeting regarding this matter to ensure that no bad debts transferred with the transition to SPC. This requirement was in line with international auditing best practice.

273. The Director informed Council that the total amount owed to the Secretariat was FJD730,000, which was 5% of the proposed 2011 budget.

274. The Director acknowledged the voluntary contributions of French Polynesia and New Caledonia, who were Associate Members of the Commission. The Director presented the draft decision text from the paper for the consideration of full Council.

275. Fiji noted that its contribution would be made before the end of the year and offered that those Member Countries that were unable to pay their contributions to have their debts written off and that the Secretariat use the Reserve Funds to balance shortfalls.

276. Palau sought clarification as to why its contribution paid to the Secretariat at this meeting was not reflected in the paper. Palau also noted that there were still some outstanding issues with their contribution due to the exchange rates and he assured that they would be paid upon his return to Palau. The Secretariat responded that the revised table just circulated did show Palau’s paid contribution.

277. Papua New Guinea sought further information from the Secretariat on the transition into SPC and how the accounts would be handled and noting that the accounts were made available to Council.

278. The Director responded that he would be writing to the Membership with information on the process of the transfer of funds to SPC early in the new year. The Director re-emphasised that the funds to be transferred to the SPC would be quarantined for use by the SOPAC Division only.

279. New Zealand expressed concerns that some Members endeavored to clear their debts while others did not. Within the SPC, it was important that a precedent was not set for the future. He offered to give some text for inclusion into the decision by Council.

280. Samoa highlighted that Guam had not been attending many annual sessions and was a large contributor to the debts owing. Samoa was also concerned that those Members that

faithfully paid their dues were not adequately acknowledged in the paper and suggested that text to that effect be included in the final recommendations. Samoa also sought clarification from Secretariat if any past issues of Membership arrears had been handled with invoking the Financial Regulation. Samoa highlighted that in spite of the global financial crisis and the natural disasters that affected the country last year, it was able to meet its assessed contributions because Samoa recognised the importance of regional organisations.

281. The Secretariat responded that there were attempts to engage with Guam on how to resolve their outstanding debts after their reappearance at the 2009 Session in Port Vila but no response was forthcoming from Guam.

282. Solomon Islands apologised for not paying its contributions over the past three years and asked for some leeway that would allow them to clear the debt early in the new year. The Secretariat responded that the Auditor would be clearing the audit report in the early part of 2011 and therefore the Solomon Islands was assured of a window in the first quarter (2011) to pay its debts.

283. Tonga made a strong commitment to clear its contribution debts by the end of the year.

284. Nauru submitted that it would be difficult for Nauru to clear the debt by the end of the year and requested Council for its debt to be forgiven and the Secretariat use savings to clear the debt, as suggested by Fiji. Nauru emphasised that the work of SOPAC was valued by Nauru, hence their payment of their 2010 assessed contribution. Nevertheless Nauru did not want to be penalised in the future for not clearing its debts.

285. Niue made the commitment to pay its contribution before the end of the year.

286. New Zealand welcomed the commitments made by Members around the table to pay up what was owed to the Secretariat as it demonstrated the Membership's full ownership of the organisation; as well as ensured that Members were not deprived of essential services due to unpaid subscriptions. He posed the question on whether the CEOs of SOPAC and SPC might consider a more innovative approach to resolving the unpaid Member contributions matter beyond the technical issue of simply closing the accounts of the Commission.

287. Australia echoed the sentiments expressed by New Zealand as well as Australia's ongoing commitment to the work of SOPAC particularly as it transitioned into SPC. Australia encouraged those Members of Council that had arrears to clear them as Australia was not supportive of forgiving arrears at this point expressing an interest to work with Members instead on options for managing the process. He viewed that the forgiving of arrears disproportionately forced the burden onto Members that had paid their contributions; even though he was appreciative of the certain circumstances when write offs were necessary. Australia preferred that the Membership work together as a collective to try to resolve the doubtful debts issues as best as possible.

288. Further, Australia tabled that it considered it peculiar that the Secretariat proposed on the one hand to forgive arrears in Membership contributions while on the other hand proposed a very significant increase to Membership contributions of 25%. The representative sought clarification from the Secretariat on the thinking behind the peculiar disparity.

289. Fiji reminded Council of the Pacific way in that Member countries should look after each other and Nauru should be given some consideration for not being able to meet financial obligations to SOPAC. He assessed that for Nauru it was not a matter of not wanting to pay but of not being able to pay. Fiji did not want to force other Member countries to pay when it was clear that they could/will not pay and therefore it was realistic to leave the option and avenue open for Council Members to pay given that this was the last SOPAC meeting and that the accounts had to be transferred to SPC clean. Fiji recognised that SOPAC was an essential agency for technical development and therefore it was costly to maintain.

290. Kiribati expressed disappointment at the reasons given by some Members for the delay in paying assessed contributions or clearing debts, in spite of the many reminders by the Secretariat to Council Members. Kiribati noted the concerns raised by Nauru because of their inability to pay a large debt, and out of sympathy for his colleague he was prepared to accept the Nauru request to be forgiven the debt. Kiribati strongly challenged other Member countries that had debts and assuredly more natural resources than Kiribati to ensure that those debts were paid by the end of the year. He stated that it was only fair to all Members of Council that the Members that can pay to make their contributions and hence demonstrate their commitment to SOPAC.

291. Vanuatu expressed appreciation for SOPAC's work and stated that they would be clearing their debts before the end of the year.

292. Marshall Islands viewed that all Members were responsible owners of SOPAC that enjoy the services of the Secretariat and noting that it was clear to Members that certain countries just could not make a commitment to meet their financial obligations and Marshall Islands wanted to leave the option open for write off of debts to those countries that were genuinely in trouble.

293. The SPC commented that it also had to deal with some arrears in payments from Member countries and they had approached the member countries directly, particularly Guam and the Commonwealth of the Northern Mariana Islands. Subsequent to that direct approach, the Director General of SPC wrote to Member countries stating that prevailing financial crises situations were causing problems with Members meeting membership obligations.

294. SPC also highlighted that it was currently engaged with Guam and suggested that the Division could also work with Guam on clearing their debts, if needed. The SPC representative reminded the meeting that the Director General of SPC had made the commitment to Member countries that there would be no diminution of service delivery to Members. SPC stressed that the regional service to Members was crucial when the national services was absent.

295. French Polynesia noted that Guam had made a submission at the 2009 SOPAC Session for the write off of its arrears in Membership contributions. The delegate sought clarification from SOPAC on the result of that request. He pointed out that any decision to write off debts should clearly articulate the specifics of the amounts in figures and that the countries whose debts were being forgiven named.

296. Chair assessed that there would need to be further discussion on this matter because there was no clear consensus emerging on the way forward. She had heard suggestions from SPC and New Zealand on finding innovative ways for resolving the dilemma with Members that were unable to pay up arrears without penalising anyone in the process. She requested the Secretariat to respond to the suggestion for 'innovative' ways of debt recovery.

297. The Director responded that he was not against innovation in trying to recover Membership contributions in arrears up to the point when a line had to be drawn and the books closed. The fact remained that the Commission could get to that point with doubtful debts still remaining in its books. The Director reminded Council about the Auditor's advice that under this extraordinary circumstance and in the interests of transparency and in keeping with international best practice that the arrears have to be dealt with by the Commission. This was to ensure that the SOPAC work programme and all its assets transferred clear of debt to SPC. The Director clarified further that this being the final meeting of the Commission's Governing Council, it was incumbent on this meeting to put in place the necessary instructions for that point when the final partial audit of the SOPAC accounts was completed in 2011. His concern was for clear instructions about write off was related to the fact that the biggest defaulter Guam, was not represented at this meeting to participate in the discussions and had not responded to any correspondence from the Secretariat since the last annual session – hence the reality was highly likely to be that doubtful debts pertaining to Guam's unpaid subscription would be in the SOPAC books when the Commission closed its books. The commitments to pay had been noted by the Secretariat and the Director urged those that had made commitments to follow through with them to reduce the amount of

arrears owing. The Director sought instructions from Council at this meeting, its final Governing Council meeting on what to do with doubtful debts at the point of transfer. If there was to be a write off, the Director was seeking very clear instructions on how to execute it; to enable the work programme of the Commission to transfer to the SPC, bearing in mind that the unpaid arrears would affect work programme service delivery to Members.

298. Chair suggested that the SPC and New Zealand proposition for a way forward was not enough instruction for the Director to complete what he had to do in terms of the final transfer of work programmes and finances into SPC. She also summarised her hearing of the various promises from the around the table from Members to pay what they owed; and the one instance where a Member stated their inability to pay. Chair assessed that it was not the intent of Council to penalise any Member that clearly could not pay and in closing her summation proposed that there would need to be a write off of any debt that remained unpaid at an end date to be stipulated and that Council in addition noted that the Secretariat would explore every available avenue to clear all debts in line with the commitments made by Members at this meeting. Whatever the protocol, Chair stressed that barring the case of the certain absent Member with substantial arrears and another that was represented and made a request to be forgiven its outstanding debts, it was important that Members made good their commitments to the organisation. The recommendation text in the paper was reviewed along the lines of the Chair's summation above with appropriate dates to be added and Members named where appropriate; as well as where the shortfall would be recovered from.

299. Fiji agreed with the general sentiments of the Chair's proposal for the way forward and tabled that instead of only Nauru having gained acceptance to its request this year for write off of its debt; he proposed that Guam also be forgiven its debt based on their submission in 2009 in Port Vila that they were unable to meet their financial obligations to SOPAC.

300. Papua New Guinea recommended that Members that had the ability to clear debts to do so; but that the Membership should consider the plight of those certain Member countries that just don't have the ability to pay and that these should be forgiven.

301. Chair stated that this seemed to be the predominant view in the room; and this was to be coupled with the hard ending due to the closure of the accounts – further noting that this was on the assumption that all other Members with the ability to pay would have paid up by the end of 2010. Her further reading of the situation was that Council did not want to penalise those Members in distress of payment nor the Members that were up to date with their payments; and the Secretariat still had to be fully engaged and creative in terms of trying to recover arrears. Council needed to weave all this into a final resolution and instruction to the Secretariat.

302. The Niue representative articulated that services to Member countries must continue and they should not be penalised without being fully cognisant of the situation in each country. Niue sought clarification from the Director as to the bottom line situation that was before Council at this point given that the audited accounts for 2009 showed savings of some 300K plus and he was aware of the existence of Reserve Funds. Niue was comfortable that arrears accumulated by both Guam and Nauru was more than adequately covered by the savings and reserve and have funds leftover.

303. Nauru deeply appreciated the support from Members of the Council and explained the reasons for their unfortunate financial problems which began 10 years ago and acknowledged the assistance provided since from the Forum Secretariat through PRAN (Pacific Regional Assistance to Nauru) and through its bilateral partners including Australia and Taiwan. The assistance to Nauru has enabled the country to improve in terms of its economic development and the payment of its 2010 Membership contribution as a sign of its commitment to its future obligations to SOPAC. Nauru's leadership recognised the importance of SOPAC and other regional institutions and are committed to meeting its future obligations to these institutions. . Nauru also pointed out to other Council Members that this request for debt write off was a "one-off" request only.

304. Tonga assured that it was part of those that created SOPAC and that it had given its commitment to clear all of its outstanding obligations by the end of the year. Tonga preferred that the Council resolution articulate specifics, for example the specifics of the commitments made by countries at this table to pay; and also that those that had paid to be acknowledged for doing so, which left the two countries that requested write offs of outstanding debts – Guam in 2009; and Nauru in 2010.

305. The Director clarified that the text of the recommendation from the paper was several weeks old providing Council with a broad picture for discussion toward an outcome on the matter at hand. He listed the countries that made commitments to pay outstanding levies by year end as Fiji, Niue, Palau, Solomon Islands (to be paid early in 2011), Tonga and Vanuatu. Two countries were not represented at this point, being Tuvalu and the Federated States of Micronesia but they were fully paid up Members. The countries with the significant debts were Guam at 255K and Nauru at 96K that were unlikely to be met at the time the accounts finally closed. The sum of the two numbers would give the bottom line figure (reality check) on outstanding arrears that would be recovered firstly from any savings in 2010 and then from the reserve funds.

306. Several Members then made suggestions for amendments to the text of the resolution and it was agreed that the draft text be sent to the Drafting Committee for further refinement before Council reviewed it for adoption.

307. Council received and accepted the report on the status and level of Membership contributions in arrears, noting that a total of **F\$550,024.26** represented contributions in arrears for previous years while the contributions owing for the 2010 year, as at 18th October, amounted to **F\$172,383.76** with an accumulated total in arrears of **F\$722,408.02.**

308. Council urged all Members to clear arrears by 31st December 2010, in particular arrears for the past three years amounting to **F\$293,348.78.**

309. Council recognised the commitment and effort of those Members who settle annual assessed contributions promptly.

310. Council accepted that Membership contributions in arrears cannot transfer to SPC since they constitute “doubtful debts”.

311. Council noted the option available within the Financial Regulations which states “A *provision for doubtful debts shall only be made against a member country contribution if the debt is outstanding after more than 3 years. A write-off shall only be effected after a resolution of the Council is obtained*”.

312. Council noted that in accord with the SOPAC/SPC LOA signed on August 4th, Membership contributions for 2011 were to be paid to the SPC, and that they would be quarantined for the use of the SOPAC Division.

313. Council acknowledged the commitment of Niue, Vanuatu, Tonga, Fiji, Palau and the Solomon Islands to meet outstanding arrears by 31 December 2010.

314. Noting the suspension of the Commission, the Council forgave the arrears for Guam and Nauru prior to 2010.

315. Council further acknowledged the need to address all and any unforgiven arrears prior to the completion of the SOPAC audits in 2011.

316. Council directed the Secretariat to address shortfalls from the forgiving of arrears from the Reserve Fund.

317. Council has come to this decision in the light of extraordinary circumstances and for the purpose of closing down final SOPAC accounts for integration with SPC.

318. Council agreed that this sets no precedent for the future.

319. Nauru wished to go on record to register its appreciation to Council for considering its request for debt write-off.

15. 2011 WORKPLAN & BUDGET

15.1 CROP Harmonisation and Remuneration Review

320. The Secretariat referred Council to paper AS39/15.1, noting the challenges faced by SOPAC in implementing the harmonisation arrangements, given that they happen to fall at the same time as the absorption of SOPAC to SPC and thus affected the issuance of SPC contracts to staff. The Director referred Council to the new banding structure for SOPAC, emphasising that this structure was the same as that to be tabled at the forthcoming CRGA meeting.

321. Samoa endorsed the new arrangements but, together with French Polynesia, asked for clarification on the impact of the new banding structure on the 2011 budget. The Secretariat advised that the new arrangements would increase the regular SOPAC budget by around F\$85,000 and the XB budget by around F\$185,000.

322. Vanuatu observed that the CROP harmonisation exercise had also been raised before SOPAC Council in 2009, resulting in a number of recommendations, including some affecting the remuneration of support staff. He enquired whether the new harmonisation arrangements tabled in paper AS39/15.1 addressed those recommendations. The Director advised that the CEOs of the harmonising CROP agencies had agreed that a full review of recruitment of all local staff would be undertaken in 2011.

323. Council acknowledged that the issues concerning harmonisation and remuneration of the current SOPAC jobs and staff terms and conditions including salary and performance assessment would be the responsibility of the SPC/CRGA after 1 January 2011. As a necessity of the transition:

- i. Council noted the outcome of the recent CROP harmonisation and remuneration work and endorsed the recommendations of the CEOs concerning the 2011 SOPAC salary scales.
- ii. Council further noted that the Secretariat had taken into consideration the outcomes of this work and that the necessary financial implications had been factored into the draft 2011 SOPAC Work Plan and Budget.

15.2 Reserve Fund Ceiling

324. The Secretariat referred Council to paper AS39/15.2 reporting to Council, as required, the annual ceiling on the Reserve Fund. The Director reminded Council of the matter of arrears in Membership contribution and the need to retain a Reserve Fund for at least one more year to cover the eventuality discussed under Item 14.2.2. He nevertheless noted that there might be a need to review the appropriateness of a SOPAC Reserve Fund after this time since SPC divisions did not normally manage divisional reserve funds.

325. Vanuatu enquired whether the SOPAC Reserve Fund would remain reserved for SOPAC activities following absorption into SPC or whether the funds would be available for use by other SPC divisions. The Director confirmed that, under the Letter of Agreement signed between SPC and SOPAC, all SOPAC funds were to be quarantined for SOPAC use only.

326. Council agreed that the Reserve Fund ceiling remain at FJD400, 000 for the SOPAC 2011 Work Plan and Budget.

15.3 Consideration of Membership Contribution Increase

327. The Secretariat referred Council to paper AS39/15.3. The Director acknowledged an earlier request for clarification from Australia under Item 14.2.2 about how an increase in Member contributions would relate to the write off of Membership contribution arrears for Nauru and Guam. He clarified that any write off of arrears was intended to clear the books for the smooth transfer of SOPAC to SPC, whereas the proposed increase in Membership contributions was intended to provide a strategy to minimise the gap between the future resources available for work and those needed to deliver it. In justifying the proposal to increase contributions, the Director drew the attention of Council to the substantial gap between SOPAC's regular budget and the resources needed for minimum service delivery. He reminded Council that the Forum Officials Committee recently had to grapple with the issue of contribution fees, and had agreed to an increase of Membership contributions for the Pacific Islands Forum Secretariat (PIFS) for 2011. Acknowledging the difficulty some Member countries might face in meeting higher contributions, he nevertheless stressed that even a minimum work programme was presently beyond the means of present contributions. He drew the attention of Council to the fact that ninety per cent of SOPAC's income presently came from projects and noted that the continued need to develop proposals for such funds diverted the valuable staff time away from their technical duties. Finally, he reminded Council that, even with the increase in Membership contributions recommended, there would still be a gap in income needed for minimum SOPAC service delivery of around F\$400,000.

328. Solomon Islands, Vanuatu and Niue acknowledged the justification for an increase in Membership contributions but observed that, given their existing arrears, they reserved support for higher fees until their arrears had been cleared.

329. Fiji, Papua New Guinea and Cook Islands also reserved support, noting that their national budgets for 2011 had already been developed so the request could not be accommodated within 2011 allocations.

330. Papua New Guinea and Niue further advised that any increase in contributions to SOPAC would need to be discussed in capitals.

331. Samoa, New Zealand and Australia noted the Long-Term Sustainable Financing exercise underway at SPC and suggested that Council await the completion of this exercise before considering the issue of Membership contributions in any detail.

332. New Zealand also noted that while the PIFS had received an increase in membership contributions, this had been developed and discussed over a much longer period.

333. Fiji drew the attention of Council to the fact that the status of its annual grant to SOPAC would likely change after 2011 given that SOPAC would cease to operate as a Commission, terminating Fiji's agreement with it. He noted that, until arrangements with SPC were finalised, Fiji would be unable to guarantee a SOPAC grant for 2011.

334. Council did not agree to the proposal to increase Membership contributions.

335. Council advised the Secretariat that it would not be possible to consider any such proposal further until a satisfactory sustainable financing strategy had been developed by SPC.

15.4 Consideration of 2011 Work Plan and Budget

336. The Secretariat referred to paper AS39/15.4 and the attached 2011 Proposed Work Plan and Budget narratives, the list of summary tables and details of the three technical programmes: Ocean and Islands, Water and Sanitation and Disaster Reduction; together with Directorate which included Corporate Services and Technical Support Services. The Director noted that the presentation would be in two parts, firstly the presentation of the work plan and secondly the briefing on the budget.

337. The Director referred to the comments made by the Marshall Islands the day before requesting a transparent articulation of resources available and allocated against tasks. The programme managers would highlight this while presenting the plans and budgets for 2011 for each of the programmes. Certain amendments to some tables needed to be made to reflect missing or new information.

338. The OIP Manager acknowledged the opportunity to present on the work plan and budget of the OIP and shared basic figures and key interventions planned for 2011. He referred to the budget and mentioned the allocation for implementation by the OIP under the OCT Project in French Polynesia.

339. The OIP Manager highlighted the Maritime Boundaries Project especially baselines (Lowest Astronomical Tide) as extremely important in determining Maritime boundaries. With Climate Change affecting sea level rise, these baselines would shift sometimes inland therefore it was essential that baselines be established.

340. The WSP Manager presented an overview of the budget and stated that the total budget for the three components (Water Resource Management, Water Services and Water Governance) was \$8,934,667 million and briefed Council on the respective activities under the three components particularly highlighting the IWRM Planning seeking an extension for 18 months otherwise countries needed to commit those funds by the end of the year.

341. The DRP Manager presented an overview of the budget for 2011 and noted that the largest amount of funds were dedicated to the EU funded EDF9 C and EDF10 B Envelopes Projects. The next highest amount of funds was allocated to disaster risk management policy and planning and went on to present the activities to be carried out under the respective 'functional teams' in DRP (DRM Policy and Planning, Risk Reduction, Information Management/Pacific Disaster Net and DRM Training and Capacity Building)

342. Cook Islands thanked the programme managers for the presentation on the Work Plan and Budget for 2011 noting that most of the comments were made during the programme presentations. He emphasised the importance of the upcoming work through the Adaption to Climate Change Project for Mangaia because the outcome of the project would be assessments and technical reports to be replicated in other islands of the Cook Islands.

343. Papua New Guinea thanked the programme managers for the update and informed the meeting his country had ventured into offshore mineral exploration and in the future an offshore mineral license would be issued to *Nautilus*. In the absence of a dedicated offshore mineral policy, Papua New Guinea was currently using the onland Mining Act. Papua New Guinea therefore was further developing a policy and requested assistance through the OIP EU-funded deep sea mineral project to support them in the mineral policy work.

344. Niue thanked the programme managers for a comprehensive layout for the programmes. Niue would resubmit a request to be included in the tide monitoring project and maritime boundaries and deep sea minerals projects. Niue asked if disaster risk management capacity building could still be requested for Niue.

345. In response to the Cook Islands, the OIP Manager expressed enthusiasm to start the work. He also noted that OIP would like to work with Papua New Guinea on their request and mentioned that a geologist has had several trips to Papua New Guinea and have kept up contacts there. In response to Niue, the OIP Manager said that there had been plans earlier to put a tide gauge in Niue, however an assessment was undertaken that did not support the implementation of the gauge; however this could be further discussed with Niue and BoM if required.

346. The DRP Manager responded to Papua New Guinea in relation to the Melanesian Volcano Network (MVN) by providing history to the initiative. He stated that the implementation of the MVN had not proceeded as anticipated however he recognised that there was still interest to pursue the initiative. He further stated that in relation to disaster risk management training and capacity building support the requests needed to come from countries to be involved in the training and in particular that offered through the TAF/OFDA programme.

347. French Polynesia requested clarification on the amount of the approved budget for 2009 and what the trends were in terms of the revised budget in comparison to previous years.

348. Marshall Islands expressed appreciation to the Secretariat for the clarification of the funding associated with each programme.

349. Australia noted that reference made to savings and asked the Secretariat to please advise where the savings came from. In response the Director explained that savings were against the 2010 allocations for Australia and New Zealand. Given the availability of savings from 2009 these were used to implement the 2010 Work Programme until such time the 2010 funding from Australia and New Zealand had been received.

350. Papua New Guinea thanked the DRP for the disaster risk management mainstreaming programme in Papua New Guinea and the Director for signing the necessary documents facilitating that process. He further commented on the EDF 9 B Envelope Project and its national seismic network. He expressed appreciation for the work with the Department of Mineral Policy and Geohazard Management to commence in 2011.

351. New Zealand thanked the programme managers and wanted to note for the record that its funding for 2011 could not be confirmed as governmental approval processes are not yet completed.

352. The Director responded to French Polynesia and referred to the Work Plan and Budget Introductory pages (1-15) which presented the Work Plan and Budget in summary form for the whole of Secretariat operation. The Director referred specifically to Table 1 where costs were stated against Programmes, Corporate Services and the Directorate apart from other funds received for substantial national activities. The latter included funds which the Secretariat handled only as a conduit for channelling national funds to Members, e.g. the European Union Envelopes B and C. Those resources were not available for running the Secretariat. Savings were also shown in the summary budget. Costs to run the Secretariat in 2011 on what was considered to be the level of required financial resources to run the Secretariat was FJ\$20.3M, which in addition to the EU Envelopes B and C funds provided total cash flow.

353. The Director also noted that in the FJ\$30 million approved budget for 2009 the Secretariat did not separate out the EDF B and C Envelope funds. He stressed that if these funds had been taken out the figure would come down to \$19 million – hence \$19 million from 2009 versus the 2010 revised figure of \$16 million.

354. French Polynesia understood the rationale behind the presentation by Director. He further enquired as to whether the decrease of 42.7% of the 2010 approved budget and an increase of 23.7% over the 2010 revised budget was based on the SOPAC component of the budget and or on the grand total. The Director stated that in the 2010 approved budget this was a grand total that included Envelope C and B Projects and that in 2011 the budget was split up into SOPAC

associated funding and funding that was being administered for Member countries through SOPAC.

355. Australia advised Council that pending formal approval from Canberra Australia could commit funding levels for 2011 similar to 2010.

356. Solomon Islands acknowledged the work planned for 2011 and the support and assistance being rendered to countries and enquired if the Secretariat charged administration fees against project budgets. The Manager Corporate Services indicated that administration fees were charged as follows: EU projects 5-7%, GEF 13% and other donors 13%.

357. Cook Islands thanked the Secretariat for the presentations and supported the Chair's recommendation to approve the budget as presented.

358. Council approved the 2010 Revised Budget of F\$15,756,143 and the 2011 Work Plan and Budget of F\$20,322,338 together with funds dedicated for national projects of F\$14,495,974, which totalled F\$34,818,313.

15.5 Confirmation of Auditors for 2010 and 2011 Accounts

359. The Director noted that as a consequence of the RIF, and as described in the Letter of Agreement (LOA) between SOPAC and SPC, (signed 4th August 2010) for the transfer and integration of the core SOPAC work programme into the SPC effective from 1 January 2011 there was a need to close the financial operations of SOPAC "The Commission" in an orderly manner and in compliance with best international financing procedures. This is an extraordinary circumstance. (AS39/15.5)

360. The Director stated that for the 2008 and 2009 financial accounts of SOPAC, Council following an open tender process retained the services of Ernst & Young.

361. Fiji acknowledged the service provided by Ernst & Young and supported the recommendations proposed in the paper.

362. Council accepted that in the process of transferring and integrating the SOPAC work programme into the SPC because of the RIF, there was an extraordinary circumstance in regard to the financial status of SOPAC "The Commission".

363. Council decided to retain the services of Ernst and Young for the 2010 audit and for the closing audit of the Commission to take into consideration that part of 2011 as necessary.

364. Council urged all donors to complete the required approvals of the transfer of contractual responsibility from SOPAC "The Commission" to the SPC as soon as possible, in consultation with the Secretariat and the SPC, in order that closure of the Commission accounts can be achieved in a timely and orderly manner.

16. OTHER BUSINESS

365. The Director requested Council to endorse his suggestion at the opening of the meeting to dedicate the Proceedings of the last Governing Council Session to the memory of Philipp Muller. The Director added that there would need to be a consultation with the wife and family of Philipp Muller before placing a photo of Philipp Muller and words of tribute on the cover of the Proceedings Volume.

366. The Solomon Islands representative requested that the Secretariat update the CD provided to Members as papers had been revised during the course of the proceedings.

367. Niue raised a number observations made over the course of the meeting. He stressed the importance of addressing the issue of staff morale. Furthermore, he noted from the black Book of LOAs provided to Members at the beginning of the Council meeting; that there was a substantial gap between the top and 3rd tier of SOPAC staff banding structures and wished to see this addressed. Niue closed by saying that on the occasion of the final meeting of the SOPAC Governing Council that he wished to acknowledge the contributions and support of SOPAC over the years of the organisations' operations and in particular acknowledged the contributions of Niue's own SOPAC representative, Deve Talagi.

368. The Deputy Secretary General of the PIFS expressed that the Secretary General had wished to attend the historical occasion of the final SOPAC Governing Council Meeting to personally convey his thanks to the SOPAC Council for the hard work done through difficult and trying times due to the RIF process. The Deputy Secretary General acknowledged the continued support to Members during the trying times by the Director SOPAC and staff and delivered the PIFS Secretary General's wish to see no diminishing in the delivery of services to Member countries as SOPAC transitioned into SPC.

369. The SPREP representative assured Council that SPREP would continue to step up its collaboration and partnership with the SOPAC division in the area of climate change adaptation. SPREP was pleased to note that the Secretariat's Accounts had been audited and approved by Council and looked forward to the final transfer of the Pacific Island – Global Ocean Observing System⁵ finances to allow SPREP to recruit the coordinator position. The full statement is appended in Appendix x.

370. Tonga congratulated the Chair for her able leadership and commended the Director and staff of the SOPAC Secretariat as well as his fellow Council Members for their valuable contributions. He highlighted the importance of the SOPAC Work Programme and paid particular tribute to each of the technical programmes stating that:

371. Ocean and Islands was to Pacific Islands Countries their homes and identity; Water and Sanitation related to life and survival of the Pacific islands; and Disaster Reduction related to the existence of Pacific islands people.

372. The representative of Tonga further expressed that Tonga was adamant in working to ensure that the SOPAC core functions remained intact wherever they went, comparing it to a love story about a parting of ways but that in letting go of the object of one's affections to be prepared for future developments without regretting the past.

17. ADOPTION OF AGREED RECORD OF PROCEEDINGS

373. The Vice-Chair and Chair of the Drafting Committee confirmed that all recommendations had been viewed and endorsed by the Council. He proposed that the full summary record be settled out of session with Members receiving an opportunity to review their own comments with suggested amendments relayed directly to the Rapporteur based on a finaldraft of the summary record to be sent out in the days ahead by the Secretariat. The Drafting Committee Chair recommended this procedure for arriving at an acceptable summary record of the final meeting of SOPAC "the Commission" to Council.

374. Chair commended the recommendation to Council Members who approved of the proposed tribute to the late SOPAC Director Philipp Muller and other luminaries of the SOPAC community that had passed on. The Chair proposed that a date for reception of edits and comments from Council Members for the summary record be set to ensure that the summary record was completed in a timely manner.

⁵ The Pacific Islands Global Ocean Observing System activities were transferred from SOPAC to SPREP in March 2010

18. CLOSING

375. The Vice Chair (Cook Islands) commended the Director's efforts in the duration of the meeting proceedings and concurred with the proposal to dedicate the Proceedings of the final SOPAC Governing Council Meeting to Philipp Muller. The Vice Chair wished to include tributes and acknowledgements for members of the SOPAC family and SOPAC Council Members who had passed away as part of the dedication of the Proceedings Volume. The Vice Chair also wished to convey his sincere gratitude to the Drafting Committee for their wisdom and commendable work for ensuring that an excellent record of proceedings was produced.

376. The Director thanked the Council for their confidence in bringing him back to serve as Director over the past nine months and assured that he would work as best he could to complete the final arrangements in the months ahead for the integration of SOPAC into SPC. He also extended his thanks to the STAR scientists for their continued support of SOPAC and wished to highlight their commitment in providing their service at no cost. He expressed that he was personally pleased that Council was also pleased with the work of STAR and the opportunity was at hand to build a better STAR and maximise its benefits to the Pacific Region.

377. The Director wished to acknowledge the staff of SOPAC for their unwavering commitment through the difficult year that has passed and ensured that he would work together with the executive management team and the SPC Director General to ensure that staff morale issues were addressed. The Director noted that SOPAC staff comprised a particularly young group of professionals and their products had been clearly demonstrated over the course of the Council meeting particularly through the presentation of the SOPAC Compendium. The Director spoke on the way forward adding that there was an important year ahead with the appointing of the first Head of Division for SOPAC in Rarotonga a year from now. The Director wished all participants a safe journey home and a safe journey onwards for those attending the CRGA the following week in Noumea.

378. The Chair expressed a desire to see that the services and programme delivery of SOPAC would continue and be improved upon through the transition period and beyond. The Chair added that she looked forward to meeting with the Troika to confirm the final arrangements for the closure of SOPAC, the Commission. The Chair extended thanks to the Council Members, SOPAC Director and staff, rapporteurs and translators and all those who had been involved in the meeting proceedings for their valuable contributions and formally declared the meeting closed.