

## Summary Outcomes of the 1<sup>st</sup> Trilateral Meetings between SOPAC, SPC and SPREP CEOs Noumea, 16<sup>th</sup> and 18<sup>th</sup> April 2008

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### 1. Introduction

Pacific Islands Forum Leaders in addressing the Regional Institutional Framework Review (Paragraph 19 (b) of the 2007 Leaders Communiqué) agreed to “*the need to rationalise the functions of the Pacific Islands Applied Geoscience Commission (SOPAC) with the work programmes of the Secretariat of the Pacific Community (SPC) and the Secretariat of the Pacific Regional Environment Programme (SPREP) with the view to absorbing those functions of SOPAC into SPC and SPREP*”; The respective governing bodies for SPC and SOPAC have considered paragraph 19(b), with the governing body of SPREP yet to consider their position in respect of paragraph 19(b). The governing bodies of SPC and SOPAC in their respective decisions agreed to a consultative process between the CEOs of SPC, SPREP and SOPAC.

### 2. The 1<sup>st</sup> Trilateral Meeting of SPC, SPREP and SOPAC

The 1<sup>st</sup> Trilateral Meeting between the three CEO's of SOPAC, SPC and SPREP in respect of Paragraph 19(b) of the 2007 Leaders Communiqué took place at the margins of the CROP Heads meeting in Noumea on the evening of Wednesday 16<sup>th</sup> April 2008 and the afternoon of Friday 18<sup>th</sup> April 2008. The meeting was attended by:

- SOPAC (Cristelle Pratt)
- SPC (Jimmie Rogers, Falani Aukuso and Richard Mann)
- SPREP (Asterio Takesy and Vito Lui)

### 3. Introductory remarks from SOPAC

SOPAC's Director explained progress made since the 36<sup>th</sup> Annual Session of the SOPAC Governing Council, wherein Council considered and decided on their response to paragraph 19(b) of the 2007 Leaders Communiqué (SOPAC decision - Annex 1). She outlined the decision, the establishment of the Committee of SOPAC Council as a Whole (SCW), their ToR and those milestones that would be required prior to the 2<sup>nd</sup> Meeting of the SCW, to be convened in late May 2008. Explained that the completion of the 1<sup>st</sup> trilateral discussions between SPC-SOPAC and SPREP as well as work toward elaborating “Rationalisation at a Glance”, which will be needed to examine and determine various, possible institutional arrangements, would go some distance to meeting the immediate expectations of the SCW.

She further advised that: the SCW had considered opening its 2<sup>nd</sup> and future meetings to the following, possible Observers: Chairs and CEOs of SPC, SPREP and PIFS, and the USA and France; the 2<sup>nd</sup> Meeting of the SCW was scheduled for late May 2008; and, a 3<sup>rd</sup> and final meeting for 2008, in advance of the 37<sup>th</sup> Annual Session of the SOPAC Governing Council was planned for mid-July 2008, with the intention for the SOPAC Chair (Tonga) to provide a progress report to the Forum Chair (Niue) at the Forum Leaders Meeting in August 2008.

The *SOPAC Council as a Whole (SCW)* met for the first time in Suva on 19 March 2008. At that meeting they agreed the following as their expectation of the SOPAC Director's work programme toward the 37<sup>th</sup> SOPAC Annual Session: (i) hold the first in a series of trilateral discussions with the CEOs of SPC and SPREP, in time to report the outcome to the second SCW meeting tentatively scheduled for mid-May; (ii) present a more elaborate 'rationalisation at a glance' picture capturing the substance of trilateral discussions that would show the trends emerging in terms of institutional arrangements, at the May meeting; (iii) provide a progress report on the legal assessment; and findings on contractual agreements SOPAC currently has with donors; also at the May meeting; (iv) further articulate the preferred institutional arrangements after SCW advice received at the May meeting; (v) elaborate on a draft roadmap to implement or achieve the preferred institutional arrangement(s); (vi) commission BCAs between the second and third meetings (tentatively scheduled for mid-July) on the narrowed field of institutional arrangement options; (vii) prepare documentation to report on progress to the SOPAC Governing Council in October 2008.

#### **4. Introductory remarks from SPC**

SPC's Director General outlined the decision taken by the CRGA 37 and the 5<sup>TH</sup> Conference of the Pacific Community (Conference decision - Annex II) and updated the meeting about actions taken to date to progress various aspects of paragraph 19 of the 2007 Leaders Communiqué. He indicated that SPC's involvement with RIF spans four areas. Two were specifically articulated the Leaders' decisions, these being the SPC-SPBEA and the SOPAC-SPC-SPREP rationalisations. The other two areas include (i) rationalisation of technical services between PIFS and SPC, and (ii) better delineating the relationship and roles of FFA and SPC noting that FFA is now part of Pillar 1 organisations. A key outcome of this is an enhanced FFA –SPC. He briefed the meeting that the difficulty in finding time to conduct the tri-lateral meeting earlier had worked out well for SPC because they had been able to attend to the other three areas in RIF SPC is involved in with relatively good progress in all three areas. . He welcomed the commencement of the tri-lateral consultation between the three CEOs. He briefed the meeting that his marching orders from the 5<sup>th</sup> SPC Conference (2007) is that he 'work closely with the CEOs of the three organisations to map out a draft plan to implement the institutional arrangements outlined by leaders for Pillar 2 organisation and to present the plan to CRGA 38'. In this regard he emphasized the need to undertake a comprehensive financial assessment as well as an assessment of possible legal implications that might result from the rationalization in particular in response to a request by the United States. He described the "roadmap" as being an agreed articulation between the CEOs of essential requirements to realise Paragraph 19 and in the case of Paragraph 19(b) to outline the key steps and milestones required for the rationalisation of SOPAC functions into SPREP and SPC.

#### **5. Introductory remarks from SPREP**

SPREP's Director advised that the SPREP Council has yet to meet and consider paragraph 19(b) of the 2007 Leaders Communiqué. In the interim the SPREP Secretariat intends to work closely with SOPAC and SPC in progressing the work required in responding to paragraph 19(b).

#### **6. Understanding the Leaders Decision, including what "rationalisation" and "absorption" mean.**

There was general consensus that rationalisation is and will be the first stage of the RIF initiative (that is determining various, possible institutional arrangements which must demonstrate improved service delivery) with absorption occurring as a latter stage of the initiative. Comprehensive costing assessments and assessment of potential legal issues (depending on the options of rationalisation adopted) as well as the practical mechanics required to realise the institutional arrangements were considered essential.

#### **7. Rationalisation at a Glance - What may it look like? – A quick assessment from SOPAC.**

SOPAC described what was presented at the 1<sup>st</sup> meeting of the SCW in respect of *Rationalisation-at-a-Glance* (Annex III) and highlighted a key concern expressed by members during their Council meeting and reiterated in the 1<sup>st</sup> SCW meeting in respect of limiting fragmentation of SOPAC's work programme and services as much as possible due to the multi-disciplinary, integrated solutions that it provides. Further, advised of the request by the SCW that the trilateral discussions be used as a forum to further elaborate on *rationalisation at a glance* with a view to identifying possible options for future institutional arrangements that could be considered at the 2<sup>nd</sup> meeting of the SCW.

SPREP, SPC and SOPAC agreed that to progress to *Rationalisation-Beyond-a-Glance* it would be prudent for trilateral discussions to be convened at the operational level – that is with senior management representation at Divisional (in the case of SPC) and Programme (in the case of SPREP and SOPAC) levels. This would be programme trilateral meetings involving the three organisations.

They further agreed that in order to discuss and prepare various institutional arrangement options for consideration there would be a need to convene at least one face-to-face meeting of senior management staff of SPREP, SPC and SOPAC, in Suva in early May 2008, with possible subsequent meetings prior to the July SCW meeting and post governing body meetings. The work of the programme trilateral meetings would be guided by an agreed set of principles with clear objectives and expected outputs (CEOs to agree in advance of the 1<sup>st</sup> Programme Trilateral).

They also agreed that in addition to the full taskforce meeting in Suva, that it would be very useful for SOPAC to also visit Apia (in the case of SPREP) and Noumea and Nabua (in the case of SPC) for more comprehensive assessment of the institutional arrangement or arrangements and to have a closer examination of the other two organisations.

In addition SPC advised that they may prepare a paper to present to the SCW that seeks to address some of the issues and concerns expressed by the SOPAC Council from the perspective of SPC.

#### **8. Absorption, need for cost-benefit analysis, how and when to measure success?**

SOPAC, SPC and SPREP CEOs agreed that it would be good if at the May SCW meeting they were able to build on the 'Rationalisation – at – Glance' presented by SOPAC to the 1<sup>st</sup> meeting of SCW, to the '*Rationalisation-Beyond-a-Glance*' which could outline various, possible institutional arrangement options for further consideration. This is one of the expected outcomes of the first programme trilateral meeting. That the most "preferred" new institutional arrangement(s) option(s) would then need to be subjected to comprehensive cost-benefit assessment(s) to establish the value-added benefits both from a cost perspective and more importantly from the standpoint of improved / enhanced service delivery over and above current delivery levels (including quality and timeliness).

#### **9. Legal and Contractual Issues**

SOPAC advised that they will commission an assessment of their legal and contractual agreements. In respect of the SOPAC Agreement the assessment would need to address and elaborate the practical steps required to dissolve or suspend the Organisation. In respect of contract agreements with donors and with staff the practical, legal steps in an effort to reduce any negative impacts on service delivery would need to be examined and elaborated.

SPC advised that they have a wide mandate that could accommodate SOPAC's services and therefore it is unlikely that there would be any legal impediments to absorb any or all of SOPAC's functions if SOPAC as an organisation is dissolved or suspended. SPC would await the outcome of the SOPAC legal assessment before assessing implications for programme rationalisation. SPC clarified however, that a rationalization that involves only the transfer of programmes and services will not have a legal implication as it does not involve a merger with a legal entity.

SPREP advised that in the rationalisation process they would need to remain mindful of their environmental mandate and this would be the context they would approach the rationalization and absorption of any or all of SOPAC functions. As SPREP have a resident legal adviser it is likely that he would complete any legal assessments that would be necessary.

#### **10. STAR (SOPAC Science Technology and Resources Network)**

Both SPC and SPREP acknowledged and agreed that a mechanism that will enable the benefits of STAR to be continued would need to be addressed. SPC clarified that it already has a similar mechanism to STAR and does not see this as a major issue.

#### **11. Way Forward from this Meeting**

SOPAC advised that all documents relating to the RIF would be made available to SPC and SPREP CEOs, which are accessible to members of the SCW from the SOPAC website.

SPC and SPREP CEOs accepted the invitation of the SCW and indicated their willingness to attend and participate in the 2<sup>nd</sup> Meeting of the SCW and any of its future meetings.

SPC advised that they could prepare a paper for the 2<sup>nd</sup> SCW Meeting to discuss some of the concerns and issues raised at the 36<sup>th</sup> SOPAC Governing Council Meeting and the 1<sup>st</sup> meeting of the SCW from the perspective of SPC.

The CEOs of SOPAC, SPC and SPREP agreed to work closely together on the following actions, which comprise the "roadmap for 2008" in respect of responding to paragraph 19(b) of the 2007 Leaders Communiqué; the decision of the 5th Conference of the Pacific Community and the decision of the 36<sup>th</sup> SOPAC Council.

- i. They would share their respective work programmes and budgets (2007/08) and other relevant documentation (such as legal agreements and strategic plans).
- ii. Based on current commitments by CEOs of SPC & SPREP agreed on Wednesday 28<sup>th</sup> May 2008 as preferred date for the 2<sup>nd</sup> meeting of the SCW. .
- iii. Convene the first 'three-organisation' programme trilateral in Suva in early to mid-May, with the first output being a product that takes '*rationalisation at a glance*' to '*rationalisation beyond a glance*'. This product needs to be circulated two weeks prior to the SCW meeting so the meeting would need to convene before 14<sup>th</sup> May 2008.
- iv. Plan for two further meetings of the taskforce during 2008, once prior to the July meeting of the SCW and another possibly after the respective meetings of the governing bodies.
- v. Plan for at least 3 more tri-lateral meetings at the CEO level, the first prior to the May 28<sup>th</sup> meeting, the second prior to the July SCW meeting and the third following the meeting for all three governing bodies – this meeting being to take on-board further instructions and agree on a roadmap for 2009.
- vi. Jointly commission a comprehensive costing analysis of the various options of rationalisation that might be ultimately proposed and, or accepted.
- vii. Jointly prepare / submit as soon as possible to AusAID / NZAID and France for their consideration a proposal for additional resources to progress the implementation of Paragraph 19(b) of the 2007 Leaders Communiqué, including:
  - a. Support for up to 3 face-to-face programme trilateral meetings.
  - b. Support to enable SOPAC to travel at least once to Apia and Noumea.
  - c. Support the cost for at least 3 trilateral consultations of the three CEOs,
  - d. Support the costs for a comprehensive analysis of the various rationalisation options.
  - e. Support the costs for SOPAC to conduct their legal assessment on the steps required to dissolve or suspend SOPAC.

## ANNEX 1

### SOPAC Governing Council Decision 11.1 Suppl 4 – Regional Institutional Framework

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In conclusion Council:

- (i) Noted that the core business of SOPAC is excellence in applied scientific and technical information and knowledge of earth systems, and demonstrating how this knowledge contributes to sustainable development for its island members.
- (ii) Noted that SOPAC has grown substantially over the past 35 years in many aspects into a well-established, and well respected regional organisation serving its Pacific Island members in developing natural resources, principally non-living resources, in a sustainable manner and strengthening resilience through integrated solutions in its three programme areas: Ocean and Islands management, Community Lifelines development and Community Risk management.
- (iii) Recognised that partners currently identify with SOPAC to the extent that the Commission now enjoys a substantial, annual budget which includes the attraction of non-traditional “new” money to support service delivery to its members.
- (iv) Recognised further that throughout its existence the Commission has been regularly “reviewed” in regard to its future, its role, and its direction, to which it has responded positively and emerged with improved and strengthened delivery of services to its members.
- (v) Noted that some members expressed concern that whilst the 2007 Leaders Communiqué does not call for a review of SOPAC, it in fact goes further to suggest radical changes to SOPAC, but is not supported by any evidence of due diligence and consideration by members during the RIF process.
- (vi) Acknowledged with concern that change processes increase demands on the Secretariat, and cause stress on the staff, that will impact current levels of service delivery.
- (vii) Is fully cognisant of the need to maintain the momentum established by the Leaders decision, in order to ensure the continuity in both the quality and effective delivery of service in meeting the needs of the people.
- (viii) Recognised the critical need to adhere to a set of principles of:
  - Transparency;
  - Timeliness;
  - Cost effectiveness;
  - Focus on the RIF objective of creating an institutional framework that further improves service delivery to PICTS and assists with effective implementation of the Pacific Plan;
  - Consideration of staff welfare;
  - The need to address the full range of legal, organisational, administrative, governance, membership and financial implications.

Council therefore;

Agreed to accept the challenge offered by the 2007 Leaders Communiqué which states “the need to rationalise the functions of SOPAC with the work programmes of SPC and SPREP, with the view to absorbing those functions of SOPAC into SPC and SPREP”.

Agreed the following course of action as a way forward in responding to the Leaders decision.

- (i) Agreed that a Committee of the "SOPAC Council as a Whole", be established and adequately resourced, to guide and advise the Director during the consultative process with the Terms of Reference to be agreed at its first meeting.
- (ii) Agreed that the Director of SOPAC engage in a consultative process with the Director General of SPC and Director of SPREP, with the option of engaging the SG of PIFS as appropriate, providing regular briefings to the Chair of SOPAC Governing Council in the preparation of a draft road map to be submitted to the SOPAC Governing Council for consideration and approval with the intent of a final road map submitted to the Forum by 2010.
- (iii) Agreed that during this consultative process some of the issues to be considered will include:
  - Proposing possible options for rationalisation and possible organisational models for the new arrangements taking into account realities such as the wider range of technical programmes, the possible rationalisation of certain common support services, the geographic location, and the membership differences.
  - Examining the costs and benefits of the options considered during the process, the technical programmes, the memberships, and the external supporting agencies, identifying opportunities for improved service delivery.
  - Proposing a realistic timing for implementation that would need to be taken into account including practical, legal, contractual obligations, and or any other problems that might require prior resolution as a result of rationalisation.
  - Finding a mechanism that will enable the benefits of STAR to be continued.
- (iv) Agreed to emphasise to all stakeholders, especially members, donor partners, and Secretariat staff that in the interim the Commission would continue with its current work and efforts to secure resources for sustained service delivery keeping in mind consultations with the Director General of SPC and Director of SPREP.
- (v) Agreed to immediately respond by writing to the Forum Chair, Chairs of the SPC and SPREP Governing Councils, Chair of STAR, donor partners and key stakeholders advising of the outcomes of its consideration of the issue at the 2007 Council Meeting.

## ANNEX II

### **FIFTH CONFERENCE OF THE PACIFIC COMMUNITY**

(Apia, Samoa, 12-13 November 2007)

#### **DECISION ON THE REGIONAL INSTITUTIONAL FRAMEWORK**

Conference:

- i. notes the decision taken by the Pacific Islands Forum (PIF) leaders on their preferred institutional arrangement for the Forum Fisheries Agency, Secretariat of the Pacific Islands Applied Geoscience Commission (SOPAC), South Pacific Board for Educational Assessment (SPBEA), SPC and the Secretariat of the Pacific Regional Environment Programme (SPREP);
- ii. endorses the position taken by PIF leaders as the basis for a detailed draft roadmap for the consideration of CRGA 38, while recognising that although the United States and American Samoa support the goal of improving coordination, efficiency and service delivery, they were not able to endorse the position taken by PIF leaders without additional information concerning the proposal's implementation and associated implications;
- iii. notes that the matter will also be considered by the governing bodies of SOPAC, SPBEA and SPREP;
- iv. accepts the offer by the Secretary-General of the Pacific Islands Forum Secretariat to facilitate consultations between the CEOs of the four organisations concerned, including appropriate involvement of member representatives, development partners and other CROP agencies, and recommends that the discussions between the CEOs be usefully guided by a set of principles. Such principles could include:
  - a) transparency and timeliness with respect to the process, and effective involvement of stakeholders;
  - b) cost-effectiveness;
  - c) a focus on the RIF objective of creating an institutional framework that further improves service delivery to PICTs and assists with the effective implementation of the Pacific Plan;
  - d) the need to address the full range of legal, organisational, administrative, governance, membership, and financial implications;
- v. instructs the Director-General to work closely with the CEOs of the three organisations to map out a draft plan to implement the institutional arrangements outlined by leaders for Pillar 2 organisation and to present the plan to CRGA 38;
- vi. notes the intention of the Secretariat to involve the membership at various stages of the development of the roadmap through provision of regular updates; and
- vii. requests the Director-General to consult with the Director of the Forum Fisheries Agency concerning the implementation of recommendation A of the Forum leaders' decision, calling for "the inclusion of the Pacific Islands Forum Fisheries Agency into Pillar 1, in order to recognise

the Agency's central regional role and to provide fisheries issues with the political profile they require."