

B) SPC/SOPAC INTEGRATION

The Chair invited the Director to present paper AS28/11.8 and introduce the concept of integration of the two organisations SOPAC and SPC.

The Director made opening remarks on the many talks he and the Director-General of SPC had had on the issue of the integration of the two organisations. He said that the paper before Council was (virtually) the same as was going before CRGA. He reminded Council that the issue before them was whether they considered the concept worthy of consideration and further debate, if so then the Paper was suggesting that the two organisations commission a consultancy to carry out a full review including a cost-benefit analysis of the concept and then report back to the two governing bodies next year. He asked that the Director-General of SPC be invited to give his slant on the story and the reasons for the proposal before Council.

Following the opening remarks by the Director the Chair then invited the Director-General of SPC to present his views to Council on the concept of integration.

The Director-General spoke of a “very simple concept”. He thought the paper to Council was a good one, as it was at this stage only asking for the development of a position paper. He listed reasons in favour of integration which included the opinion that the present aggregated service of regional organisations had definite life spans, and that there was a “time for everything under the sun”; and that money was saved when organisations came together. He identified CROP as an interim solution to the desirability of integration in regionality. He intimated that the SOPAC Director was supportive of the idea and that the two had developed a closer working relationship since they began exploring the concept of integration. He assured Council that the SOPAC position would influence the position of the CRGA in December and all that was required of Council was to indicate whether this was an “idea whose time had come” or not.

The Chair encouraged Council to be forthcoming in presenting views of the concept and elaborated that perhaps what he was trying to draw from Council members were general statements rather than statements of national positions.

Guam then asked whether an outcome of integration was one Council? The Chair replied, “Maybe ...Yes.” Guam then expressed his support for the consultancy on the concept as presented in paper AS28/11.8 so that more information maybe drawn out.

Tuvalu supported the concept and the consultancy but didn't think Council's decision was subject to what CRGA would decide, to which the Chair gave reassurance that Council indeed was not subject to CRGA but that the two Councils had to take ownership of the concept before it could progress any further. Tuvalu's concern was that the service delivery of SOPAC not be affected.

Tonga aligned itself with Guam's comment, supporting the recommendations as presented in paper AS28/11.8.

New Zealand commended the SPC/SOPAC initiative and welcomed the increased potential for output of the one 'combination' organisation, along with the savings that would be identified. New Zealand, however, favoured fuller consultation with member countries on the issue and they didn't think the one model of integration was enough, that the consultancy should present other models for consideration by Council. The Chair urged New Zealand to table the amendments to the recommendations and the Terms of Reference (TOR) of the consultancy to reflect their concern. (This was subsequently done in AS28/11.8 supplementary).

Nauru had no problems with the consultancy being undertaken and for the results to be submitted to the next Council meeting for consideration. Nauru's main concern was that the quality of the services being rendered by SOPAC should not be affected in any way when a merger should be decided upon in the future. Nauru was of the opinion that the “new” organisation would be better off having its headquarters in Suva and not in Noumea because of the expense associated with operating from Noumea.

Marshall Islands after commending the creativity of the two men behind the idea intimated that the only problem he had with the 'marriage' was that there seemed to be undue haste to “get into bed” and he favoured that time be spent by the intending partners to look each other over more carefully. He wondered what the consultancy was going to cost.

The Director-General of SPC informed Council that he had budgeted \$10,000 CPF for the con-

sultancy and he considered it sufficient to cover the costs of getting two experts and the product at the end of their study.

Kiribati then expressed the view that ideally integration was “nice”; that having the organisation with the FOCUS was “good” and yet this lofty idea never matched reality. The reality was the more effective way of doing things. In conceding with the idea of having a consultancy Kiribati did not wish to preempt the idea that they supported the integration of the two organisations. The consultancy should only be a guide so that Council could decide whether or not to accept the integration concept. The major aspect that the consultancy should consider carefully is whether or not the integration would bring about efficient delivery of programmes.

The representative of **Samoa** observed that the concept of regional organisation integration was not novel to the region. It was first raised officially in 1976 and was debated extensively in the region for the next 11 years until it was finally put to rest at the 1987 South Pacific Forum meeting. CROP itself was born out of that Forum settlement of the single regional organisation (SRO) concept.

In respect of the arguments and justifications provided to support a new study into the concept, he found it odd that while the SPC Director General and the SOPAC Director were convinced integration was the answer for the regional organisations in Suva, he was surprised that the proposal excluded TCSP and the Forum Secretariat.

He further observed that given the history of the SRO concept, it was not a member government or a regional organisation governing body that raised the issue but a personal initiative of the two chief executives. Given this personal connection to the concept and given that Dr Dunn was leaving SPC next year and Mr Simpson's current term would expire in early 2001, there is the possibility that their successors might have quite different views on the future of the two organisations.

Samoa however would be prepared to agree to a consultancy to further examine the concept should that be the general view of Council and report back to Council. The terms of reference for the consultancy would have to be very specific.

The Chair then invited the Director of SOPAC to reply. In his response the Director stated that it was always a part of the CEO's job to be

looking at ways and means of making any organisation more efficient, effective and doing what was best for its members. He said that this idea was not being proposed without thought and some degree of analysis. He said that some back-of-the-envelope cost-benefit analysis had been carried out which indicated possible savings as well as increased efficiencies by the integration and cooperation between some programmes of the two organisations. He said it was not his intention to publicise this study so as not to pre-empt the work to be carried out by the consultants.

Papua New Guinea wondered what was wrong with SOPAC? but nevertheless supported the concept. He also warned that it needed careful looking at.

Solomon Islands advised carefully looking at the economies of the current setup and that the consultancy had to be closely supervised to prevent it from going “all over the place.”

Vanuatu expressed concern that there was very little information to go on, for him to decide whether the idea was good or bad. He conceded that it was one way of refocussing resources but didn't want that to affect service delivery of either organisation. He also expressed doubt that \$10,000 CPF was enough to cover the consultancy; because he felt that the consultants were faced with a huge task.

The Chair summarised discussion (after a tea break) and highlighted the emerging consensus that the idea was worth exploring.

Federated States of Micronesia (FSM) echoed the sentiments of Marshall Islands and advised against an ‘early marriage’. FSM expressed its support of the integration scheme if the SOPAC Work Programme for member countries was not compromised; although FSM viewed the consultancy as a suitable mechanism for a cost-benefit analysis of the proposed integration.

The Chair expressed his own support for a longer ‘engagement’, and thought that the consultancy would “iron out various modalities”.

Fiji pointed out the uniqueness of the geotechnical expertise of SOPAC, but reckoned that the exercise proposed as it was by the two CEOs at the threshold of the new millennium, could be usefully used as a self-evaluation exercise. He also expressed the view that for consideration of one's long-term future, a proper and thorough analysis needed to be undertaken.

Australia strongly endorsed all the sentiments expressed around the table and that Council needed to establish if the merger really was desirable.

Based on the amendments by New Zealand to the TOR (AS28/11.8 supplementary), **Guam** interpreted that this meant seeing the result of the first consultancy before deciding whether a second was warranted.

Samoa supported the changes to the TOR and the Chair announced that the Secretariat would reissue the TOR with the amendments (see Attachment).

Australia endorsed the amendment made to recommendation 1 of AS28/11.8 (the deletion of the last sentence) and Council's discussion on the integration of SPC and SOPAC terminated at 16:20.

Council therefore agreed to examine the concept of integration of the two regional organisations, SPC and SOPAC, and should the SPC CRGA also agree in their December meeting, that the following action be taken: (i) In the first quarter of 2000, the Secretariats of the Pacific Community and SOPAC jointly manage a consultancy (terms of reference attached) to examine the options for SPC-SOPAC integration. (ii) The consultants' report be considered by both governing bodies in the second half of 2000.

The Chair again invited the Director-General of SPC and the Director of SOPAC to make concluding remarks.

The Director-General acknowledged the difficulty of the issue, and that the administrative sequence of Council's position was to present it to the CRGA meeting, which is currently a separate and sovereign Council. He predicted that CRGA would go along with the SOPAC Council amendments of the proposal. He commended Council for their extremely positive approach to the quite major proposed changes to regionalism. He took up the allegory of marriage, and apologised for the ongoing affair that had been conducted in secret for a while and hoped that Council would "make honest women out of us". He also reasoned that the two councils needed to take ownership of the integration process for it to go forward and that the disappearance from the scene of both CEOs as prime movers of the idea, should not affect the integration.

The Director of SOPAC was not surprised with Council's reception of the integration concept, as it was a very mature Council. He was proud to be associated with such a Council and when he represented SOPAC at the CRGA meeting in December, he would commend the concept and the work of this Council at that forum.