



**3rd Meeting of the SOPAC Council Committee of the Whole (SCW)
on the Regional Institutional Framework**

Banyan Room, Holiday Inn, Suva, Fiji

Wednesday, 16th July 2008

AGENDA ITEM	TITLE
3	APPROVAL OF MINUTES OF SCW02

Approval of Minutes of SCW02

Attached is the draft full record of the Second Committee meeting. The Summary Record and Minutes (Annex 4) components of the document is yet to be cleared by Committee members (due date 11 July). An updated meeting record will be provided in hardcopy for your meeting folders at the Third Committee meeting on 16th July, with amended segments highlighted.

The SCW is requested to approve the record of its second meeting.



FINALDRAFT SUMMARY RECORD

2nd Meeting of the SOPAC Council Committee of the Whole (SCW¹)
on the Regional Institutional Framework (RIF)

Banyan Room, Holiday Inn, Suva, Fiji
Wednesday, 4 June 2008

1 Welcome and Introduction of Observers

Chairing the 2nd Meeting of the SOPAC Council Committee of the Whole (SCW02) was Tuvalu's High Commissioner to Fiji, HE Tine Leuelu. He welcomed his fellow members of the SCW, and the invited observers who would be participating in the Committee's work henceforth.

Observers in attendance were representatives of the United States of America, France and the Pacific Islands Forum Secretariat (PIFS); the Director-General of the Secretariat of the Pacific Community (SPC); and the Director of the Secretariat of the Pacific Regional Environment Programme (SPREP) (see [Annex 1](#) for List of Participants).

The Chair read the Opening Remarks of the Chair of the SOPAC Governing Council (Hon. Tuita of Tonga) (see [Annex 2](#)), and outlined the substantive business of the SCW02, which was to consider the progress made by the Director of SOPAC with respect to trilateral consultations with the CEOs of SPC and SPREP; expanding on the rationalisation at a glance exercise she introduced at the SCW01 meeting; as well as the scoping of cost areas; and other assessments that might also have been undertaken.

The Chair's Opening Remarks encouraged SCW members as shareholders to agree and recommend to the SOPAC Governing Council those new arrangements that would allow for and demonstrate:

- Improved performance and delivery of services;
- Improved timelines;
- Improved relevancy to the needs of PICs and especially the SIS;
- That the present programme would be maintained and/or improved and expanded when considered necessary;
- That these activities would be met with reasonable cost effectiveness; and
- That performances and services would be of the highest quality and relevancy possible.

2 Adoption of Agenda

The meeting adopted the Agenda attached as [Annex 3](#).

¹ Acronyms used in the report are in [Annex 6](#)

3 Minutes of SCW01

The minutes of the First SCW Meeting (SCW01) were adopted.

4 Documentation

The documentation for the SCW02 was described by the Chair, and the Committee was directed to the RIF Page on the SOPAC Website, which provided access to the entire collection of RIF-related documentation from the regional background reports to all papers related to integration, mergers and rationalisation pertaining to SOPAC. Access codes were available to the Committee from the SOPAC Secretariat, on request.

The Committee raised no objections to the Secretariat request to share the RIF-related documentation freely with all participating observers.

5 Actions since SCW01

The Director used the Summary Record of the SCW01, para. 18, to report under the itemised tasks undertaken since SCW01. More details on verbal reports and discussion on the substantive agenda items (from 5 to 7) are in the Minutes of the Meeting (see **Annex 4**).

- i) *hold the first in a series of trilateral discussions with the CEOs of SPC and SPREP – **Trilateral meetings between SPC, SPREP and SOPAC were held in the margins of the CROP Heads Meeting in Noumea in the middle of April, on the 16th and 18th of April.***
- 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 – **A programme trilateral was convened on the 15th and 16th of May. Reporting this elaboration exercise was deferred to under Item 6.***
- iii) *provide a progress report on the legal assessment; and findings on contractual agreements SOPAC currently has with donors – **The legal assessment was commissioned at the end of April. A draft opinion was received the day before SCW02, and the Director was yet to review it and provide comments back to the consultants.***
- iv) *further articulate the preferred institutional arrangements – **This was also covered under Item 6; and the three CEOs elaborated on progress.***
- v) *elaborate on a draft roadmap to implement or achieve the preferred institutional arrangement(s) – **A short presentation on perspectives for the way forward was given under Item 7 to elicit some discussion; and to assist the Committee in providing the Director with guidance on the tasks that she would be required to complete before SCW03.***
- vi) *commission BCAs – **The Director covered this also under Item 7.***

Other actions completed included seeking Council's views on having observers participate at the SCW02 meeting (and future SCW meetings); the circulation to Council of the invitations to SCW02; and the regular updating of the RIF Page.

The CEOs of SPREP and SPC provided their respective perspectives on the report by the Director of SOPAC; and elaborated on trilateral meetings. The programme trilaterals were assessed at this stage to be work-in-progress in terms of looking in more depth at synergies among the three organisations.

The Committee noted the landmark meeting of the SPC-SOPAC-SPREP Programme Trilateral and progress made, which were very much appreciated by members. The Committee agreed on the importance of the trilateral meetings and encouraged these to continue.

The Committee also noted that while the process seemed simple in the beginning; it was clear however, that certain issues needed to be accounted for such as the impediment to SPREP's full engagement in the

process, in the absence of a Council decision, given that the 2007 and 2008 meetings of the Forum would be held before the SPREP Council meeting in September (2008).

6 Rationalisation-Beyond-a-Glance

This item was dedicated toward discussing the substance of the trilateral meetings already introduced under previous agenda items, with the CEOs of SPC, SPREP and SOPAC providing necessary information to the Committee in respect of progressing rationalisation “beyond-a-glance”.

Reporting by the CEO on their trilateral outcomes were summarised in papers before the Committee, with presentations from the first programme trilateral being placed on the RIF Page for review and reference for the SCW. It was advised that other key outcome documents of the programme trilateral had just been received by the CEOs and were being treated as work-in-progress. In order to convene further trilaterals to continue the Rationalisation beyond a glance, the three would be mounting a joint proposal outlining resource requirements for presentation to Australia, New Zealand and France. The SOPAC Director had been tasked during SCW01 to provide indicative costs; and she submitted that this joint proposal was to be taken as proxy for that.

Frank and wide-ranging discussion tossed around opinions, concerns and requests on time lines; protecting and improving SIS-focussed service delivery; observership at programme trilaterals; EU participation at SCW meetings; technicality of work programmes being Rationalised; office location; legal and other issues. The SPC Director-General also took the opportunity “to present a SPC Secretariat viewpoint” that would dispel cloudy areas on certain issues raised by the Committee that included mandate and funding concerns.

The Committee expressed appreciation of the work carried out by the three CEOs; and of the discussions among the senior programme personnel, which was extremely important given the breadth and technicalities of the respective work programmes. It was apparent from the issues brought up during discussions that the SCW would be very much guided by the next consultations among the three agencies which would need to further discuss, focus and elaborate the more technical and practical options as the basis for progressing the Rationalisation of SOPAC’s functions.

The Chair noted that the various concerns raised by colleagues around the table were valid and were natural reactions that needed to be aired, for the three agencies to bear in mind as work on the various institutional arrangement options continued.

The Committee raised no objection to the programme trilateral meetings being open to Committee members, and that information on the dates and venues of forthcoming meetings be circulated to members so they could attend if they wished.

7 Roadmap for a Way Forward

The Committee had requested the Director to prepare a road map for a way forward between this Committee meeting (SCW02) and the 3rd meeting of the SCW (SCW03). In anticipation of this task and as a result of consideration of initial outcomes of the first round of trilateral meetings, the Director presented overarching issues in respect of a proposed way forward.

The Director circulated a paper and made a presentation, both accessible from the SOPAC-hosted RIF Page (and available from the Secretariat on request). The presentation highlighted the Guiding Principles, which are a combination of the guiding principles from the CRGA and SOPAC Governing Council decisions with respect to Paragraph 19b of the 2007 Leaders Communiqué that have underpinned the trilateral meetings to date and should carry throughout the process to respond to Paragraph 19(b). Further the Director submitted that the underlying ‘conceptual framework’ of SOPAC’s work programme – that is that applied geoscience, technology and social sciences are integrated into unified and multi-faceted outputs allowing for evidence-based policy and strategy formulations must be recognised and acknowledged as rationalisation progresses to absorption and ultimately into the new institutional arrangement(s).

As a way forward the Director proposed that once rationalisation advanced sufficiently to crystallise certain institutional arrangements, the receiving organisations should be encouraged to develop ‘business cases’ on their arrangements to receive, sustain and improve the SOPAC functions and services that were transferring to them. These business cases should be developed in very close consultation with SOPAC and be subjected to due diligence. The business cases were to demonstrate how the services themselves would be

absorbed, sustained and improved; and, how the services of the STAR would be retained for the region. These along with the due diligence checks would provide assurances to the respective Committee and Councils of SPC and SPREP that SOPAC's activities and programmes would endure and improve beyond absorption and where possible enhance the services that the mentioned organisations are currently responsible for delivering. Consequently the SCW would then consider the business plans in concert with the due diligence checks and submit its findings to the SOPAC Governing Council.

The Director also presented timelines on the Rationalisation activities that would maintain the momentum on the current process (trilateral and bilateral consultations; business case(s) development; due diligence checks on business cases; finalising the legal assessment) and, with all events happening as anticipated and on time, offered that the SOPAC Council could be sufficiently informed and comforted to take the decision whether to dissolve or suspend the organisation at its 2009 Governing Council meeting. See SCW02/7.1 & 7.2 for the full paper and presentation and the Minutes of the Meeting ([Annex 4](#)) for more details.

The Chair noted the Marshall Islands question on how much had already been spent on the whole RIF exercise and invited the PIFS to provide that information for the next meeting. His sense of how things stood at the end of discussion was that members wished to be involved in the entire process; and also in scrutinising outcomes at every step.

The decision of the Committee under this item was revisited under Item 11 – Other Business, and clarified.

The Committee noted the presentation by the Director of SOPAC; which was to be used by the CEOs and three organisations as a basis for further work. The organisations were encouraged to continue their work, bearing in mind the catalogue of concerns raised and were encouraged to report back to the next SCW meeting on any progress made. The Committee would scrutinise the outcomes of the next trilateral meetings which are expected to provide further clarity for rationalisation and the proposed institutional arrangement(s) options requiring detailed assessments through the development of 'business case(s)'.

The Committee noted the timelines set out in the 'way forward' proposal and the sequencing of the key meetings at which progress reports on the Rationalisation would be tabled.

The Committee accepted the proposed way forward and that the 'business case' label used by the SOPAC Director should be replaced with a term that was more acceptable.

The Committee urged the CEOs in their trilateral meetings to come up with one agreed approach to put to their respective Councils on the matter of the Rationalisation.

8 Update on Timelines and Constraints

The confirmed dates of the major meetings related to the RIF exercise on SOPAC are as follows:

The next SOPAC Session (37th) would be held during 22-30 October 2008, in Funafuti, Tuvalu.

The SPREP Council meeting that would consider para.19b of Forum Leaders' Communiqué 2007 for the first time would be held during 8-12 September 2008 in Pohnpei, Federated States of Micronesia.

The 2008 CRGA meeting for SPC would be held during 13-16 October in Noumea, New Caledonia.

The dates for key Forum meetings provided by PIFS representatives were 19 August for the Leaders' Retreat; 23-24 July for the pre-Forum FOC; and 21-22 July for the pre-FOC Pacific Plan Action Committee (PPAC) meeting.

9 SOPAC Director Work Programme between SCW02 and SCW03

- Tasks to be Completed

The Committee took as read the proposals by the Director of SOPAC to continue advancing the activities already begun after SCW01; and the additional activities outlined in her presentation under Agenda Item 7 for work to be undertaken beyond SCW02. The presentation is attached in [Annex 5 \(Slides 3 & 4 only\)](#).

10 Date of SCW03

The tentative date of 16 July 2008 for the third and final Committee meeting (SCW03) before the 2008 SOPAC Annual Meeting was adopted.

11 Other Business

The first matter brought up was the earlier unresolved issue of whether to invite the EU to observe at future SCWs. The Committee decided that the EU be included among those in the circulation list to receive the outcomes of SCW meetings; and that the SOPAC Director keep SOPAC donors and development partners updated.

The second matter was clarification of the Committee decisions under Item 7 – Roadmap for a Way Forward. See under Item 7 for that clarified articulation.

The third and final matter was a reminder that the first task for the CEOs immediately following SCW02 would be to finalise and submit a joint proposal for additional financial resources to assist them undertake the processes proposed in the roadmap for the way forward.

12 Closing

The Chair expressed deep appreciation to the members and other participants at the SCW02 for their patience and contributions that made a productive meeting despite the sensitivity of the issue. He commended the Committee for the progress made to date and was confident that through the Chair from Tonga, SCW would have a progress report ready for the Forum.

Fiji thanked the Chair and the Secretariat for the hard work on behalf of members.

The SOPAC Director made closing remarks, chiefly to thank the observers for participating and her SPC and SPREP counterparts.

The meeting ended at 4:20 pm.

LIST OF ANNEXES

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2	ADOPTED AGENDA.....
3	CHAIRS' OPENING ADDRESS(ES).....
4	MINUTES OF SECOND SCW MEETING.....
5	WAY FORWARD PRESENTATION.....
6	ACRONYMS USED IN THIS REPORT.....

ANNEX 1

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ANNEX 2

Adopted Agenda

- 1 Welcome and Introduction of Observers
- 2 Adoption of Agenda
- 3 Minutes of SCW01
- 4 Documentation
- 5 Actions since SCW01
- 6 Rationalisation-Beyond-a-Glance
- 7 Roadmap for a Way Forward
- 8 Update on Timelines and Constraints
- 9 SOPAC Director Work Programme between SCW02 and SCW03
- Tasks to be Completed
- 10 Date of SCW03
- 11 Other Business
- 12 Closing

ANNEX 3

Chairs' Opening Address(es)

Ladies and Gentlemen, I would like to begin by thanking you for your attendance and welcome you to the Second Meeting of the SOPAC Committee of the Whole. I am aware that our meeting is a little later than anticipated, nonetheless the fact that you are all here in spite of the delay augurs well for the achievement of the task mandated to us by the SOPAC Council and our Pacific Leaders for it shows commitment to the welfare of our Pacific States and people. I thank you for your taking ownership of the process.

It is also my privilege to welcome representatives from the United States of America and France as well as the Pacific Islands Forum Secretariat [PIFS] the Director General of the Secretariat of the Pacific Community (SPC) and the Director of the Secretariat Pacific Regional Environment Programme (SPREP). Honourable Members will recall that with your approval the Director of SOPAC invited these representatives to attend our Committee deliberations as what I would call "participant observers".

Honourable Representatives, the Committee agreed in its first meeting to invite you because it had no doubt that your attendance is critical to our reaching a rational and reasonable way forward in relation to the Forum Communiqué and the SOPAC Council in Tonga last year. While SOPAC Council rules does not allow you to vote, it is the expression of your views that are critical to our task and I hope you will feel free to be a constructive part of the process. Please accept our sincere appreciation for your agreeing to join us in our deliberation.

Colleagues, I would now like to clarify a few issues so that you would firstly understand what has happened in recent days and secondly in order to make me feel a bit more comfortable sitting in this chair.

In the true Pacific Way the Chair a few days ago and because he could not attend asked that the Vice Chair, our Minister from Tuvalu, be requested to Chair this meeting. The Vice Chair, again in the Pacific Way, because he could not attend, asked me as the Alternate to Chair this meeting. Unfortunately for you, again in the true Pacific Way, I had no choice but to agree.

All this, of course, for some odd reason follows most logically procedures laid down under Articles 6.8 and 6.9 of the SOPAC Agreement. It seems that those who drafted and approved the SOPAC Agreement were also fully *au fait* with the Pacific Way. And you are therefore – for better or for worse - asked to accept the Pacific Way and help me do my job to the satisfaction of all parties.

As obvious from the above annotated story, I had no chance to prepare my opening remarks but fortunately the Chair had prepared a paper as his opening remarks which I have been asked by him to distribute and hopefully, with your approval, for it to be an integral part of the records of this meeting. I will do more than this, as I endorse the sentiments expressed, I will use them for the remainder of my opening remarks.

OPENING REMARKS PREPARED BY THE SOPAC GOVERNING COUNCIL CHAIR

Honourable Members, as you will recall, the outcome of our first meeting was to agree on our Terms of Reference as directed by the SOPAC Governing Council. In line with the Terms of Reference [TOR] and the spirit of our mandate from Council, we also agreed for the Director of SOPAC to:

- begin the trilateral consultation with the CEOs of SPC and SPREP;
- elaborate the rationalisation at a glance exercise;
- to prepare a scoping of the cost areas and indicative costs for Council; progress legal and contractual assessments of the implications to SOPAC of rationalisation and absorption.

I am informed that these tasks were carried out and although are all still in a "state of progress" I believe agreed minutes and reports on some of these activities are with you. Others are still underway and the Director of SOPAC will also make presentations on these and other matters. I am sure that the representatives of PIFS, Director General of SPC and Director of SPREP may also want to make presentations on relevant matters as we move through the agenda.

On behalf of the SCW, I would like to thank them for their willingness to participate in moving the process forward.

 Suva
 Wednesday, 9 July 2008

Before declaring this second meeting of the SOPAC Committee of the Whole open, I would like to once again remind Honourable Members that our task, through due process, is to ensure achieving institutional arrangements of excellence in quality and relevancy in an environment of limited resources, increasing demands and rising costs; in cultures of uncertainty and systems of equality but needs assurance to ensure equity between states, and between communities.

To achieve this, and in order to move forward based on what is in front of us today, in relation to the decisions by our Leaders and the SOPAC Council, I believe that we need to consider the need for firm business plans from SPC and SPREP in order for us to begin to define where we are going and begin the journey forward. Absorption of any of the functions of SOPAC by either SPC or SPREP, as indicated by our Leaders implies a rational and reasonable approach, indeed the right approach means a firm, realistic and a committed business plan. Our ownership of SOPAC demands that we be accountable to our present donor and support partners, and to our staff. The people whom we serve.

SOPAC Council as “Shareholders” must be concerned that whatever we as a Committee of Council agree to and recommend for Council’s consideration and approval will not only meet present needs and performance levels but that it will allow for and demonstrate:

- improved performance and delivery of services;
- improved timelines;
- improved relevancy to the needs of PICs and especially the SIS;
- that the present programme will be maintained and or improved and expanded when considered necessary;
- that these activities will be met with reasonable cost effectiveness;
- and that performances and services will be of the highest quality and relevancy possible.

In my humble opinion the right way is not a matter of “pick and choose” or a simple exercise of division of the spoils, nor a simple formula for achieving a single technical regional institution, or mathematically reducing the number of regional institutions. The mandate and programmes of SOPAC are owned by ourselves, the Member Countries, and have been developed and pursued over a long period of time based on the needs of the island member states.

A multidisciplinary approach to provide integrated solutions for its Members has become the SOPAC conceptual framework in a Pacific facing rapid globalisation and where issues of improved welfare of people are both multifaceted and multidimensional. The need is for the enhancement of the capabilities of people to live free and worthwhile livelihoods – the Leaders Vision in 2004 – and that is through integrated solutions based on a multidisciplinary approach. For most Pacific Island Countries real resources for the future is human and ocean resource based. With climate change and other changing environments, integrated solutions and policies and strategies will increasingly become imperatives.

The rationalisation and absorption exercise to define the road map must I believe take this into account. As stated in the SOPAC Council 2007 the need is not for the appropriate and or reasonable choices but for the right choice for now and the near future. With time these right choices will also need review, from time to time.

For all the above reasons and more I consider the approach suggested above as the most appropriate pathway towards achieving the letter and the spirit of the decisions by the SOPAC Council and by our Leaders. Good governance, one of the four pillars endorsed by our Leaders demands that we are transparent and accountable, and it is our task to ensure that this transparency and accountability of our Council and of our Leaders is not only perceived to be, but is a fact *sui generis* in its institutional excellence, quality and relevancy of its senses and output.

Honourable Members, it was pleasing for me – and I am sure for all of you – to note the high degree of positive ambience through dialogue in pursuit of excellence towards achieving our goal during our first meeting.

I have made my comments this morning in the belief that the spirit of good faith will continue allowing us to progress towards a road map chartered on the right choice based on a Bayesian rather than Poppers philosophy. And we know that in one way or another the present but especially the future of every single

Pacific soul will be affected by our decision. I guess I am old fashioned but I believe we work for and serve the people of our Member Countries within our global society.

It is only in this sense will this Council, the Leaders, and the people of the Pacific they represent, feel genuine ownership of the regional institutional arrangements we are here to determine.

Herein ended the comments of the SOPAC Governing Council Chair

In closing I would like to make the following personal observation, that it is satisfying and pleasing to note that the CEOs and their Senior Programme Managers of the three biggest intergovernmental organisations have been able to sit down together and have meaningful dialogues. And even though the reason is for rationalisation and absorption the simple fact that they were able to meet for two days to pursue initial discussions on how best to serve the people of the Pacific is a landmark.

Moreover from what I have been informed these were conducted in an environment of commitment, cooperation and the need for coordination. At least we now know it can be done.

Perhaps if there were less silos-style in approach there would not have been any reason for us to meet, and CROP would have been a success – as recommended in 2004 by the Eminent Persons Group that reviewed the Forum.

Thank you colleagues.

**High Commissioner for Tuvalu
Alternate Vice Chair**

ANNEX 4

Minutes of the Second SCW Meeting

The Chair called the meeting to order at 9:15 am. (Chairing the meeting was Tuvalu's High Commissioner to Fiji, HE Tine Leuelu).

1) Welcome and Introduction of Observers

The Chair made introductory remarks wherein he welcomed his Committee of the Whole on the RIF (SCW) colleagues; and the invited observers who would be participating at SCW meetings henceforth – representatives of the United States of America, France and the Pacific Islands Forum Secretariat (PIFS). Also welcomed as participating observers were the CEOs of the Secretariat of the Pacific Community (SPC); and the Secretariat of the Pacific Environment Programme (SPREP). As there are implications for both SPC and SPREP in the rationalisation of SOPAC's services and functions, the first meeting of the SCW tasked the Director of SOPAC, to seek Council clearance to invite observers to its future Committee meetings.

The meeting was informed that the Chair of the SOPAC Governing Council and the SCW was, at the last minute, prevented from attending this meeting due to national commitments; therefore, according to procedure, Tuvalu as Vice-Chair of Council was tasked with chairing the Second Meeting of the SCW.

The Chair then read the Opening Remarks by the Chair of SOPAC (Honourable Tuita, Tonga) outlining the substantive business for the second meeting of the SCW, which was to consider the progress made by the Director of SOPAC with respect to trilateral consultations with the CEOs of SPC and SPREP; expanding on the rationalisation at a glance exercise she introduced at the First SCW Meeting (SCW01); the scoping of cost areas; and other assessments such as the legal implications.

Further, the Opening Remarks reminded members of the SCW that the task immediately ahead was, "through due process", to ensure achievement of "institutional arrangements of excellence in quality and relevancy in an environment of limited resources, increasing demands and rising costs;" and that their ownership of SOPAC demanded that they be accountable to all the people they served. The Chair later registered his "old-fashioned" belief that Council worked for and served "the people of island member countries within [the] global society." His Remarks proposed as "rational and reasonable" and "the most appropriate" approach the "need for firm business plans from SPC and SPREP in order to begin the journey forward." SCW members were also encouraged as shareholders to agree and recommend to the SOPAC Governing Council those new arrangements that would allow for and demonstrate:

- improved performance and delivery of services;
- improved timelines;
- improved relevancy to the needs of PICs and especially the SISs;
- that the present programme would be maintained and/or improved and expanded when considered necessary;
- that these activities will be met with reasonable cost effectiveness; and
- that performances and services would be of the highest quality and relevancy possible.

HE Leuelu concluded that he was pleased to note that the CEOs and senior programme staff of the three biggest regional technical agencies: SPC, SOPAC and SPREP had been able to sit together and have meaningful dialogue; albeit for the rationalisation and absorption of one of them. He pronounced it a "landmark" event; and added that "if there were less silos-style" approaches "there would not have been any reason [for the SCW] to meet, and CROP would have been a success – as recommended in 2004 by the Eminent Persons Group that reviewed the Forum."

The participants at the meeting were invited by the Chair to introduce themselves. Represented were the following governments: (in the order introduced) Cook Islands (Keu Mataroa); Tonga (Kelepi Mafi); Tuvalu (Samuelu Laloni); Fiji (Murray Isimeli); Nauru (HE Jarden Kephas); New Zealand (Dimitri Geidelberg); Australia (Judith Robinson, Romaine Kwesius)); France (Pascal Dayez-Burgeon); United States of America

(Brian Siler), Federated States of Micronesia (HE Samson Pretrick), Republic of the Marshall Islands (HE Mack Kaminaga); and Papua New Guinea (Julie Wapo). The participants from SPC (Jimmie Rodgers), SPREP (Astero Takesy) and PIFS (Edward Vrkcic; Stephanie Jones) also introduced themselves.

2) Adoption of Agenda

The Chair drew attention to the Provisional Agenda provided with the meeting papers and invited comments. There were no substantive issues brought up and the agenda was adopted.

3) Minutes of SCW01

The Chair invited the Director of SOPAC to introduce the minutes of the First Meeting of the SCW (SCW01).

The Director of SOPAC introduced the item, mentioning the dates and processes associated with getting the minutes accepted by the SCW members that attended the First Meeting. She was seeking final clearance and approval by the Committee under their Second Meeting of the SCW (SCW02) so that the document might be freely shared with the observers and other stakeholders interested in keeping track of the SOPAC Rationalisation exercise.

The Chair sought comments from the participants; and because there were none, he progressed the meeting to Item 4 - Documentation.

4) Documentation

The Chair introduced the item referring to the restricted site (RIF Page) accessible from the SOPAC Homepage where all the RIF documentation was available. He said that ahead of the Second SCW Meeting (SCW02); the draft Minutes of the First Meeting; and the Summary Outcomes of the CEO trilateral meetings in April had been distributed. He invited further comments from the Secretariat.

The Director (again) sought Committee guidance and agreement on whether it was in order to share all documents as well as access to the RIF Page on the SOPAC website with observers. She felt it would be useful for them and the working committee.

The Director also informed the meeting that there would be additional meeting documents circulated during the meeting. She repeated that all past, present and future documentation with respect to the RIF were and would be posted on the RIF Page.

Marshall Islands expressed gratitude to the Secretariat staff for the comprehensive documentation prepared; not just for this meeting but for other meetings, further acknowledging the hard work expended in preparing them. He also took the time to thank the Chair (Tuvalu) for being willing to take on the role at short notice, when the Honourable Minister from Tonga could not attend.

The Chair saw no more comments forthcoming and progressed to Item 5 – Actions since SCW01.

5) Actions since SCW01

The Chair introduced the item as outlined in the Annotated Agenda (SCW 2.2).

Itemised actions included: the web portal accessible from the SOPAC Homepage that provided all the papers pertaining to the RIF; the first CEO Trilateral Meeting being held as anticipated in the margins of the CROP Heads Meeting in Noumea, 16th and 18th April (copy of Summary Outcome document was among meeting papers); the first Programme/Divisional Head trilateral meeting was held during 15th and 16th May; and a consultant had commenced assessment of the legal issues related to SOPAC's dissolution or suspension.

Verbal reports would be provided by the Director of SOPAC on some of the actions, including the preliminary contractual assessments between SOPAC and its partners. The meeting also heard that the Director-General of SPC had indicated at the CEO trilateral his intention to present on issues he thought relevant to the SCW. Both CEOs (of SPC and SPREP) were present and invited to comment on issues that may be raised with respect to the outcomes of the various trilateral meetings.

The Chair ruled that while the Committee deliberated on the item, the floor was opened to the two CEOs and the Secretariat to make contributions. He invited the Director of the Secretariat to brief the Committee on the items indicated for verbal reports.

The Director referred to the tasks enumerated in the Summary Record of the First Meeting of the SCW, paragraph 18, under Agenda Items 8 & 9 that were to be undertaken after SCW01 and she reported against each item:

- vii) *hold the first in a series of trilateral discussions with the CEOs of SPC and SPREP – Trilateral meetings between SPC, SPREP and SOPAC were held in the margins of the CROP Heads Meeting in Noumea in the middle of April, twice, on the 16th and 18th April. The outcomes document agreed among the three was sent to the Committee before SCW02. She found the meetings constructive; but deferred reporting on some of the tasks they set for themselves to under Item 6.*
- viii) *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 – A programme trilateral was convened during 15 & 16 May. Further reporting on this elaboration exercise was also deferred to under Item 6.*
- ix) *provide a progress report on the legal assessment; and findings on contractual agreements SOPAC currently has with donors – The legal assessment was commissioned at the end of April. A draft opinion was received the day before SCW02, and the Director has yet to review it and provide comments back to the consultants. She proposed to share a "more finalised version" with the Committee inter-sessionally. The terms of reference was available to Committee members should they desire to see it. She reported that she had yet to look at the finer points of contractual agreements on termination or alternative arrangements. She noted that the number of donors and development partners that SOPAC had contractual agreements with were few; although there were cases where multiple contracts were in existence with the same donor/partner. She recalled that discussions at the SCW01 with respect to managing the contractual agreements had concluded that the actions on contractual agreements should be left to a later date. She suggested that as the process advanced toward realising a roadmap (to be tabled under Item 7), the need to assess contractual arrangements would of necessity arise.*
- x) *further articulate the preferred institutional arrangements – This would be covered under Item 6; and the three CEOs were ready to clarify progress so far.*
- xi) *elaborate on a draft roadmap to implement or achieve the preferred institutional arrangement(s) – The Director intended to make a short presentation on perspectives for the way forward to elicit some discussion; and provide her with some "tight guidance" on the tasks that she would be required to complete before SCW03.*
- xii) *commission BCAs – The Secretariat Director intended to also cover this under Item 7.*

Outside of the items reported on above; the Director also mentioned other actions completed, which included seeking Council members' views on having observers present at the SCW02 meeting (and future SCW meetings). Also circulated to Council were the invitations to SCW02. She again referred to the RIF Page accessible from the SOPAC Homepage which gave members access to "everything", even material pre-dating the RIF review as well as the new documentation accumulating as a result of the Committee process underway.

Before opening the floor for comments and given that much progress had occurred since SCW01; Chair invited the directors of SPREP and SPC to add to the SOPAC report from their perspectives on the progress with respect to the trilaterals.

The Director of SPREP re-confirmed the widely-known fact that the SPREP Council has yet to address the issue of Rationalisation (as per para. 19b of the Forum Leaders' Communique, October 2007). He advised that the role that the Executive of SPREP has been playing to date was in facilitating what SPC and SOPAC had already mandated their respective Secretariats to move forward on regarding the Rationalisation of SOPAC functions. The SPREP Secretariat has been able to provide information by attending the trilaterals at the CROP level, and sending programme people to delve into programming fit, in the hope that it would help the SCW look at the whole issue of Rationalisation and the larger issue of improving services to member countries of the region. From SPREP's perspective, he was an observer without portfolio given that he had no budget and no instructions for the exercise. He also wished to understand and comprehend the issues and sentiments that were being expressed around the table.

The SPC Director General expressed gratitude for the opportunity to share some thoughts; and being invited to join the SCW process; especially as the Rationalisation did involve SPREP and SPC it was very much appreciated that they could sit in, listen and contribute as required. From the SPC perspective it was opportunity to respond to some areas that members of SOPAC may have specific concerns with, and wanted the SPC Secretariat perspective as opposed to the governing body (CRGA) perspective. He confirmed that SPC had received marching orders which were well articulated in RIF para.15 (of the CRGA decisions) as well as on the road map discussions to be heard later under Item 7 of SCW02.

Before returning to SOPAC-specific issues he informed the SCW that SPC had been involved in other RIF-related activities with other organisations; the difference being that those were one-to-one relationships – between SPC and the PIFS; between SPC and the Forum Fisheries Agency (FFA); and between SPC and SPBEA. The modality used was more bilateral-type discussions. In the case of '19b' SPC was aligning its modality to the one articulated in the SOPAC Council Decision. Hence SPC was tracking the SOPAC-imposed SCW process and was participating at those times when the SCW required their involvement. He clarified that SOPAC, in a sense, was leading the agenda here and SPC was part of the process.

The SPC Director-General stressed that RIF as an opportunity for the region, rather than SPC; and he was highlighting this because he had heard in the margins of the RIF process, views that SPC was trying to "swallow everybody up". This was an opportunity to relook at the regional institutional framework and SPC was providing as much information as required at various fora for the decision makers to move the areas forward.

Returning to the SOPAC-specific trilaterals, he confirmed that it had been his original intent at the CEO trilateral to prepare a background paper for SCW02, because he had done similarly with SPBEA, FFA and PIFS during consultative meetings. However, as the trilateral discussions began he felt it was wiser to continue through that process rather than he present a background paper; because the process underway allowed the programmes at higher management level to look at what the three organisations did. Taking a deeper look at the synergies and the best fits and where the best value could be found; as it was one thing to get a best fit; but quite another to get the best outcome. The best outcome was where the issues of safeguarding both the quality, scope and value of programme delivery comes into the discussions and he was sure that would greatly interest the SCW but the first trilaterals had not got to that point yet. SPC reported the programme trilateral as 'very good'.

In the context of the RIF, he reported that SPC had to look internally at its own mechanisms and structures for service delivery. He viewed that neither SPC nor SPREP should take programmes and fit them into existing structures; as some of those may not actually fit well. The service delivery mechanisms should be looked at in the context of the programmes that did transfer across, to see what the best realignment would be to result in best value added within the existing programmes of SPC. SPC had undertaken the process of internal evaluation of its structures because RIF discussions were ongoing with three other agencies on a bilateral basis. The SOPAC-SPC-SPREP discussions coming in later worked well for SPC as it was 'the big one'; hence the current SPC structure may actually be modified further in order to render it more appropriate.

The final point by the Director-General was to share generalities – to the extent of delivery of services and being able to monitor impact and outcome, the SPC CRGA in 2005 requested that services be decentralised beyond the current offices in Suva and Noumea. A new office was opened in Pohnpei to cover northern Pacific programmes; and an agreement was about to be signed with Papua New Guinea for an office there, and the Solomon Islands was next. SPC official offices now exist to cover the north Pacific, the south Pacific, the central from Suva, and the west from Papua New Guinea. Consultations were

planned with the Cook Islands and French Polynesia in that regard, for the eastern Pacific. Additionally, where SPC had large programme presence, countries had indicated their preference for coordinating offices being opened on-site. There was decentralised presence also in twelve other countries; therefore there was physical presence of SPC programmes in a total of 17 members, critical for keeping the finger on the pulse in the sectors that SPC worked in.

The Chair thanked the heads of SPREP and SPC for their perspectives. He was sure it was useful for Committee members before they started commenting on the issues; then opened the floor for other views.

The United States of America (US) representative noted SOPAC's willingness to respond positively to their request for Observer status, as reported under Agenda Item 10 (of the SCW01 Summary Record). He said it was a positive move and would add to the discussions going forward.

Australia expressed gratitude to the CEOs for their presentations and also to the efforts that had gone into the process in the intervening months. It was very encouraging to see that progress was being made.

Marshall Islands also thanked the CEOs for the reports heard so far; and noted how encouraging it was to know that they were getting together to consider the process of Rationalisation. While appreciative of the early stages of the CEOs meeting; and mentioning the speculation that was rife; and the fact that many things were being said by people who might not be contributing to the process he wanted to know from the CEOs their perspectives with respect to the time frame for the process. He asked for a rough time estimate for when their work would be completed and they would be ready to tell the region and the Leaders when they should be able to wind up things. He apologised if the question was unfair.

The Chair invited the three CEOs to respond.

SOPAC Director responded that she was hoping to address the issue about timing under Agenda item 7 on the way forward and although it didn't provide exact dates there was a timeline presented that would be achievable if all things stacked up right. She begged the indulgence of the meeting to wait for Item 7.

The SPC Director General agreed that Item 7 would be the appropriate place to progress discussion on timelines.

Cook Islands thanked the CEOs for work carried out so far in looking at issues raised by the Leaders in 2007. He said that he found the Director-General of SPC's earlier comments encouraging in many ways and looked forward to the discussion under Agenda Item 7. He then noted the fact that the SPREP Council had yet to meet later in 2008 and wondered how long it would take them to gauge the issues for themselves; noting particularly the view expressed that they were deferring to the pathway devised by SOPAC. He said he felt for the Director of SPREP, given that he had not received any instructions. He continued that if SOPAC was anything to go by; then the issue of timeline as raised by the Marshall Islands would have a bearing on the way forward.

Fiji joined colleagues from the Cook Islands, Australia and the Marshall Islands in thanking the CEOs for the activities undertaken so far. He echoed the Chair's opening remarks, about the landmark meeting of the three CEOs and commended it. He also welcomed colleagues who had just flown into Suva notwithstanding the bumpy ride from Nadi.

The Chair summed up the discussion under this item thus: The Committee noted the landmark meetings which were very much appreciated by members; and most agreed on the importance that these trilateral meetings must continue. From the report of the trilateral meeting, he observed two distinct phases emerging for the whole exercise, which were rationalisation firstly, then secondly, getting into the absorption of the SOPAC activities into SPC and SPREP. It was also noted that while it appeared simple when the exercise started for it seemed to only be a matter of putting something somewhere else; it was becoming apparent however, that certain issues needed to be accounted for. Also that an impediment to SPREP's full engagement in the process was that it was without a Council decision since the meeting of the Leaders decided on the Rationalisation (in 2007); and that another meeting of Leaders (August 2008) would occur before the SPREP Council meeting in September (2008). These were the types of constraints that the Committee needed to take note of.

The Chair hoped that once Item 7 was considered, then a clearer timeline would emerge. He called for the morning tea break at this point.

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6) Rationalisation-Beyond-a-Glance

The Chair invited the Secretariat to introduce Item 6 - Rationalisation-Beyond-A-Glance.

The SOPAC Director reported that she had hoped that the Independent Facilitator of the First Programme Trilateral, Mr Garry Wiseman of the UNDP Pacific Resource Centre would be available to present a report on the meeting to the SCW2. Unfortunately, the Facilitator was expected to return from annual leave on June 6. She added that she and CEO colleagues hoped that Mr Wiseman would continue to engage as independent facilitator for the further programme trilaterals to ensure continuity in that process; and also that he would be able to attend the third Committee meeting to share his 'independent' view on the programme meetings.

At this point, the three CEOs would present verbal reports to the Committee based on feedback from their programme staff.

Director of SOPAC referred to the summary outcomes of the CEO trilateral meetings; as well as the paper on the programme trilateral among the meeting papers. With respect to the outcomes of the First CEO trilaterals; she was thankful to her fellow CEOs for providing more information than she did under Agenda Item 5. She then referred to page 4 of 8 of the CEO trilateral outcome document, where it summarised in seven points the way forward from their first meeting wherein they had agreed on steps that needed to be taken. Firstly, that they would share all of their respective organisations' documentation on work programmes, budgets, legal agreements, strategic plans, etc. This was actioned immediately; with all documentation uploaded on the RIF Page of the SOPAC website. Secondly, the CEOs of SPREP and SPC were able to still make it to this meeting, although the date had changed from 28 May to 4 June. Thirdly, the first programme trilateral was held in Suva on 15th and 16th May 2008. The paper in the meeting folder summarised the objectives of the programme trilateral and those that participated. She mentioned having had a brief discussion with the Facilitator on the evening of the first day of the two-day meeting and the facilitator had indicated that he had learned a lot from the presentations of the day; and realised the opportunity for those at senior operational level within the three organisations to learn more about their counterparts and the services that their respective organisations were responsible for delivering.

She continued, by recalling the Chair's opening remarks about the trilateral meetings at CEO and programme levels being 'landmark' initiatives. She mentioned that at CEO level, their predecessors had met before during several SPC-SPREP-SOPAC Colloquiums, but certainly at programme level, this was the first time that the senior programme officials from the three organisations had met for discussions. She reported on feedback from the SOPAC programme staff who had attended the programme trilateral meeting and that they had been pleased to have been given the opportunity to be able to participate; that it yielded extremely constructive discussions and that it had been held within a very collegial environment. Participating SOPAC colleagues had advised that discussions on the synergies between the organisations had started quite slowly however, as they warmed up discussions were very good and free flowing. She advised that information from the programme trilateral had just recently been received by the CEOs and although work had begun to elaborate on Rationalisation Beyond-a-Glance, there was a view shared by participants that much more may have been achieved on progressing the Rationalisation Beyond-a-Glance picture, if the meeting had been for three days, something the CEOs had not pre-empted. However, added that they did pre-empt the definite need for further trilateral as well as bilateral meetings. A number of outputs were collected at the end of the programme trilateral, for example the presentations on the various programmes and divisions provided good insight into the activities of each organisation, which are posted on the RIF Page of the SOPAC website.

The third, fourth and fifth points agreed by the CEOs was in the area of further trilateral meetings by themselves and the programme officials. The sixth agreed action was to jointly commission a costing analysis on the options of Rationalisation. She felt that the sixth and seventh agreed action could usefully be looked at together. She recalled that the SPREP Director had mentioned in his earlier remarks that there certainly would need to be additional resources required; but there was agreement among the three CEOs that it would be more prudent to mount a joint proposal outlining the resources required for them to realise the instructions from their various committees. The joint letter (proposal) still needed work to be done on it; and the three CEOs would be meeting after the SCW02 to refine it; and the intention was to send it to the slightly richer members (Australia and New Zealand); and France.

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She reminded the Committee that one of the tasks set for her by the SCW01 was to prepare indicative costs and the joint letter she'd been talking about was the proxy for that. She expected to be meeting her counterparts later in the afternoon, to work on the letter and plan further trilateral and bilateral meetings among the three organisations.

She also advised the Committee that one of the main difficulties with this exercise was that outside of this process the three organisations had work programmes to deliver and to identify suitable dates where people could all be free to attend meetings was not necessarily easy. The three organisations were commended for being able to work around things so key personnel could be freed up to participate and she thanked her counterparts from SPC and SPREP for being able to send their key programme people to Suva to participate in the May programme trilateral meeting.

Further, she mentioned the matrix that was emerging based on the programme trilateral work, and while it had a lot of information in it already, she felt that at this juncture, it would not necessarily be helpful for the Committee, nor for the Secretariat to share what they (CEOs) still consider as a very rough output from the First Programme Trilateral. She hoped that the next meeting (imminent) of the CEOs would be able to agree on a timetable for further meetings for programme people as well as at CEO level, after which the institutional arrangements that are emerging may be shared usefully with the Committee.

Chair opened the floor to the CEOs of SPREP and SPC to add to the SOPAC Director's account above.

The Director-General of SPC confirmed the SOPAC Director's report on the respective back-to-office feedbacks from programme staff that participated in the first programme trilateral. From his feedback it was reported to be cordial, very useful and as pointed out by the SOPAC Director; it was the first of its kind at a senior programme management level. He added that for SPC (and maybe for SPREP) they tended to focus their presentations to match the three main areas of SOPAC's programmes. He prefaced the remark by observing that SPC was very broad and it operated programmes outside SOPAC's main areas of implementation; and had taken care to present those programmes that complemented and had synergies with the SOPAC work. They had also presented programmes that they called "transports" or common lines that add value regardless of what programme was being delivered, for example ICT (or the Digital Strategy), which is a carrier for any programme. What had been achieved in the two days of the programme trilateral was to inform each other on what each did; and begin looking at where the synergies might be.

The Director-General continued that he thought what might interest the Committee was the next step, which was the packaging. Having done an assessment, what within SOPAC's might be better delivered through the SPREP programme, because there were synergies and a modality there; and what for SPC. He didn't think they (the programme people) had reached that point; hence that could probably be the focus for their next discussions.

He continued, that when it came to jointly commissioning a financial analysis; that the best time to do that was when there was a number of options, so that each option could be costed out and its legal implications assessed. He reported that he was required to report back to the CRGA meeting (13-16 October) an assessment of the financial implications of the possible programme transfers from SOPAC into SPC, and he said he could not do that assessment until there was a fairly good idea what was transferring to SPC and what was going to SPREP; and likewise for SPREP because he was sure that the question the United States asked of SPC, would be asked of SPREP in September (when the SPREP Council met) due to their common membership. To an extent, if SPC did that assessment, it would assist SPREP because then they did not have to wait to be asked in September to undertake the same assessment and present it to its Council the following year. In a sense, what he was driving at was that, if by the third SCW Meeting (SCW03) in July the results from the working groups and the CEO meetings advances a number of options that are realistic, then SPC could start the process of doing the joint financial analysis from after July onward. He mentioned that the Committee would obviously want to put a progress report together for Forum Leaders when they next met as identified in the agenda. He was sure that if by SCW03 there were some options to cost; and in later discussions on the roadmap; some sort of timeline, then he felt this was good progress to report not just to the SOPAC Council, but also as an early update to the Forum Leaders' meeting in August.

He apologised if he was confusing issues at this point, and so he quickly summarised his main points: the trilaterals had very good outcome but not advanced enough for the (re)packaging of transferring programmes to be emerging. In terms of the next steps, costing could probably only happen when there were options. There was a legal study being commissioned by SOPAC and he thought it was probably

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going to be good enough for him to draw from in reporting to the CRGA meeting in October. He pronounced himself happy with the process; but mentioned that where the analyses involved staff travelling the cost factor was important, especially in the case of SPREP hence the CEOs intention to submit a joint proposal for consideration later for additional resource inputs into the three agencies to facilitate advancing the assessments and reporting required for the initiative.

The Director of SPREP recorded that his counterpart CEOs had summarised adequately the mood of the first meeting of the programme people. He went on to observe that it was fair to say that crosscutting issues that bind all the regional organisations have been addressed through what are called CROP working groups. These have been informal, but nevertheless effective and they only focussed on the crosscutting issues. From the SPREP perspective; this was the first time that the real fit in the programming was examined for the three organisations. The programme trilateral was in many ways educational and informative not only at programme level; but he said it should be taken down to the actual people that worked in the field to validate findings. This is part of the difficulty of walking into the examination of programmes; in that it was not so much as synergy but also from the scientific viewpoint – questioning whether you add only cost but no value and no delivery. In other words, programming should not be looked at as an isolated factor and it was his view that it should be examined in a comprehensive manner. The SPC Secretary-General had stated that the costs and legal issues needed assessing; then one also needed to look at the cost benefit analysis; the efficiency co-efficients, that is what would be gained from doing this? What would be lost in the process? From the SPREP perspective, he thought they were fortunate in that while the SPREP Council had not made any decision on the overall issue of Rationalisation, hopefully its decision would be better informed than the previous councils of SOPAC and SPC. By then (the time of the SPREP Council meeting) much of the costing would have become clearer; SOPAC was about to emerge with a legal analysis, which should better inform those in the SCW that were also represented on the SPREP Council.

He understood that it was only natural for the SCW to want to see some timeframe for when the exercise would come up with conclusions for the best options. From the SPREP perspective, this would actually be very premature, as CEO to speculate, and place some definitive suggestions on the form and therefore the cost and how involved the legal issues might be; for instance the timeframe for overcoming legal issues. He was of the view that having the programme people together was probably the most rational way to approach this as only then would formative options as to which would be not only rational but also acceptable by the SCW and the three councils. He continued that this would also increase the net results to the recipient, member countries – this was after all what this was all about. He concluded that SPREP was very happy with progress, and went far better than they had anticipated being able to sit with the others and talk things out rationally, without a proper terms of reference.

The Chair thanked the three CEOs for their presentations under the item and opened the floor for comments.

Marshall Islands found it very encouraging to note how the three CEOs had carried on with the Rationalisation, and the spirit of progressing the process with the three organisations getting together trying to see the way forward. As a recipient of the services and programmes he thought this might be the beginning of trying to clarify a fundamental concern that had so far not been adequately addressed, which was demonstrating “improved delivery of services”. He suggested that right from the outset a lot of members had expressed their main concern as being whether the delivery of services was going to be improved. He was suggesting that the programme trilateral was beginning to address this fundamental concern. He wondered whether it might be useful, as a recipient, to join the programme trilateral as an observer; not only for members of SOPAC, but of SPC as well as SPREP. He was really interested in the idea and observed that ultimately it was the members who received the services.

The Chair opened the floor to other members before the three CEOs to respond to the point raised by the Republic of the Marshall Islands.

Cook Islands again thanked the CEOs for the work in finding ways to facilitate the Leaders' Decision. He referred to a number of issues raised by SPREP and SPC. He was of the view that the core of this process would have a bearing on Small Island States (SIS); and for many of them the delivery of the programmes was a crucial issue. How SOPAC was placed in the outcome of the exercise would also have an implication on mobilisation of services, staffing, from where they're placed to for example SPREP's location in Samoa; and SPC headquartered in New Caledonia. Hence at this point the delegate wanted to highlight what the Minister of Foreign Affairs in Fiji had stated in opening remarks at the annual session in Tonga – that he

wished to keep SOPAC in Fiji, similarly his counterpart in trying to keep SPREP in Samoa. He had been examining the issue of service delivery from elsewhere other than Fiji – Fiji being a hub for many delivery mechanisms of programmes. He echoed the words used by the SPREP Director when he brought up the matter of efficiency of delivery of the programme; and that it would also take some time for the legal and cost implications to be sorted out. He referred to the SCW01 presentation by the Director of SOPAC that highlighted the key donors, and the EU having the largest component of funds injected into the programmes at SOPAC. As a representative of the Cook Islands and having worked with SOPAC in the programme areas, his thoughts were that the issue of service delivery would hang in there for some time until a mechanism was fully understood and outlined for our Leaders. Another view he was looking at evolved around the Communiqué, and maybe the rehashing of the language for that particular Communiqué could also highlight a few areas we've been concerned about, especially as he was expecting some programmes through SOPAC's expert assistance. He was not implying that the other institutes could not deliver, but rather along the lines of ensuring that the outcome kept the SOPAC services at the level of appropriate priority for SISs, and all PICs around the table, especially those in the SOPAC Council. The delivery of services was the area of primary concern to member states that attended the SOPAC Council meeting in Tonga (2007).

Papua New Guinea thanked the three CEOs for their inputs into providing the general picture to the members of what has been discussed so far among them. She appreciated the input from both SPC and SPREP on some of the concerns on technical issues and institutional arrangement options. As a member she would also welcome if they could express their 'honest' feeling about this process so that Leaders should be aware of their opinions on delivering services as an organisation. When Leaders met, they threw out the options, leaving the three CEOs to devise how they would carry out the process. There had been directions on options, and hence she expressed that the task was a great one for the three organisations and they would have to take some time. If the three CEOs thought the timing was too early, she would appreciate their honest views about it. She was certain that they could get to the bottom of the technical programmes, and the scientific side of things in time. She referred to a point made by the Cook Islands, with respect to the European Union being the donor that provided the most funding toward the SOPAC programmes; and ventured that they would be concerned about the inadequate timeframes. She went on to suggest that the European Union be invited to attend the next SCW meeting so their views on the progress and process might be heard. From what the CEOs had presented so far, she said members could be excused for concluding that there might be some undue rushing in the process of examining the technicalities of all the programmes that each of the organisations has been undertaking and the process itself. She stressed again that timing probably needed reconsideration; and repeated what Marshall Islands had said about most of the SISs being worried about delivery of services. To her mind, the programmes had to be properly and thoroughly assessed before the Committee could draw any conclusions from findings and put them forward. She concluded that the Leaders would expect some progress report with respect to the process at their August (2008) meeting and she strongly urged the CEOs to present honest opinions about the progress.

Tonga echoed his fellow Committee members in thanking the three CEOs for their informative presentations. He agreed with Papua New Guinea's view regarding the time frame and urged the three CEOs to look at it very seriously. He said that if the three CEOs felt that there was not enough time then they should report it to the Leaders; and he was against rushing through the process. He drew attention to the SPREP review team that he met with in Tonga recently, which identified certain shortfalls in services and some good progress. At this point there are shortfalls identified in SPREP's delivery mechanisms; hence it was extremely important for the three CEOs to look at the Rationalisation very seriously and he was against rushing this particular process through at this time and come back regretful a few years later. Tonga wanted an outcome that would be appreciated by members later in that it was the best for these three organisations, as he was appreciative of their service to the region. He concluded that he disagreed with putting forward a time frame to Leaders because at this time it wasn't clear whether the progress in the process would fit in the time frame.

Cook Islands building on what Papua New Guinea and Tonga had established, concurred with the views expressed on the extensiveness of the technical aspects of the programmes and needing special attention in particular areas. Mindful of the legal and contractual arrangement issues raised by all the CEOs, he recalled one raised by SPREP's Director on mandates – in that organisations all had different mandates that would have implications on the delivery of programmes. He agreed that programmes could be absorbed without legal boundaries, but that right at the top level was where the legality issues would arise. SPREP was pointed out as having the environmental mandate, SPC its own broad development role and SOPAC a largely non-living resources mandate. He raised the issue because of its implication on timing;

and going beyond what the SOPAC Council would establish in October 2008. He read in the CEOs' meeting report that SPREP had its own legal adviser who would be able to complete their legal assessment. He understood that the legal position on all the three entities was quite large and the issue of the charter and its establishment would also evolve around legal discussions. He continued in the same vein as Papua New Guinea and Tonga on the donors (e.g. EU, Australia, New Zealand, etc.) and the particular programmes they supported in that they had arrangements with SOPAC that would also need unknottling. The cost-benefit analysis was thought to be a major undertaking. Breaking down any programme implementation area whether in OIP, CRP or CLP (using the Council-approved; and country-requested approach) would have implications on the delivery of services. For the purpose of programmes coming together with other entities and staffing issues; he noted that the CEOs did raise it in their talks – in that SOPAC Staff were in limbo at the moment. He concluded that this ultimately involved people – people who had participated in delivering many services to members – and that at the end when these were absorbed with the programmes into other entities, they are lives, livelihoods and futures that are being played around with in this process.

Australia addressed a few of the comments made so far on the item. Firstly, on the issue of timing, she pointed out that in hearing what the CEOs had reported she had not heard in their comments a concern about timing. The point made by SPREP with respect to their Council having not met was taken as read; and she confirmed hearing that a legal opinion had been sought; and that a legal opinion (though yet to be analysed) had been received and that this was progress. She continued that she also heard that for costings to be undertaken, there would need to be some options and there was also the encouraging news that with the meeting at the managerial level there was quite good progress being made in coming up with some options. She did not hear the CEOs saying to get some clear idea of where this might be going by the SOPAC Council meeting and indeed probably before the Leaders's meeting (although that was getting closer). She had not heard any of the CEOs say that that was an impossibility; hence she expressed puzzlement about the over-emphasis on timing that was being expressed around the table. She repeated something she had said before (probably at another SOPAC meeting) that there are those that would sit around and talk and in spending so much time talking ensure that nothing happened. Her worry and concern was that she could see progress, with the meetings of the CEOs she saw progress and a will to move ahead – but if there was sitting and constant vocalising of worry about the detail that Council had asked the CEOs to process on its behalf, which they had done well enough, then there was a mismatch.

Australia commented on a couple more points that were made, for example on staff morale. This was tremendously important, and again the point had been made at meetings before. She agreed that it was people that were being dealt with – people who needed to know some answers; and the more the process didn't forge ahead to come up with answers the more that staff morale would be corroded – even starting to look for other options because of that lack of certainty. She stated that one thing that really did upset the morale of most of people was a lack of certainty about where their jobs would go; hence this was one of the reasons the process needed to continue with good will and intent so it be brought to a close. On this theme she concluded that instead of worrying too much about the timing, that members just push ahead and do as much as could be done as it had been laid out given that the CEOs never indicated that it was an impossible task.

Australia went on to the matter of location as expressed in earlier views. She reminded the meeting that there was never at any time during the RIF process any mention of moving the location of any of the organisations. Members were referred to the [RIF] documents, because to her understanding there was never any talk anywhere of intentions to move the location of any of the organisations. She strongly urged her colleagues to put that issue to rest, because talk of it caused unreal concerns in the whole process. She asked to be forgiven for being rather frank; but that sometimes there was call for frankness in these discussions.

In terms of process Australia could support one that was moving ahead and achieving the milestones as had been reported by the CEOs, and they were very comfortable to keep on supporting it but she had to say as a donor that she could not keep supporting a process that was leading nowhere. As a Pacific group, they simply couldn't keep spending their resources, members' time, her time, the travel costs, and all the rest of it, just simply for talking and not for moving ahead to achieving a result. She made a plea that a goal be maintained and granted that it should not be so rushed that something absolutely precipitous happened, but she repeated that the CEOs had given the Committee the indication that what the SCW laid out at its first meeting was doable; hence she called for optimism about that and to set a target of achieving it.

New Zealand thanked the Chair for stepping in to chair the SCW02 and the CEOs and the senior staff of the organisations for having done some really useful work and for attending to present to the Committee. He associated his remarks with the comments just expressed by Australia. In terms of timing, New Zealand didn't disagree with the comments from other colleagues around the table about "not rushing". Rushing implied moving unreasonably (unthinkingly) quickly and not doing a proper job; he certainly would not suggest that. At the same time; as reflected in the comments by Australia the progress need not go any slower than was required by the task that was before the Committee. As trustees of the three organisations involved in this exercise the Committee had a responsibility to ensure that the work continued at a pace that best met everyone's needs. There were risks in going too slowly – staff morale and uncertainty being examples. As an officer of a donor agency he suggested that the greater risk in terms of donor funding was going too slowly and leaving a longer period of uncertainty rather than the certainty that allowed donor funding to continue to be channelled and new funding arrangements entered into. Similarly, in terms of planning for the three organisations – in order to do a proper planning process that would help with service delivery to members, there was a need to know where everyone stood and what the final situation would be. Likewise, in terms of realising the benefits from the synergies, the slower we take it, the longer the delay before benefits could be realised.

On the question of legal requirements, New Zealand very much agreed that the membership needed to do what was required to meet all the legal requirements and the analysis that was currently underway was of course going to be extremely useful. He wanted to add to the discussion on the legal issue, by suggesting that the legal arrangements that the Committee would come to were there to serve member interests, i.e. they were there to serve members' needs – hence members should not be slaves to process and place the cart before the horse. He concluded with a comment on the issue of 'mandate' – and he was not disagreeing with the Cook Islands view. He added a note of caution that 'mandate' had become a rather misused and abused term in the Pacific regional context (this was reflected in the Tony Hughes report). It was sometimes used as an excuse not to do something that needed to be done "because this isn't our mandate", and similarly it was used as an overly defensive term to fend off perceived encroachment upon one's territory. He encouraged the proper use rather than abuse of the term 'mandate'.

France firstly apologised in advance (for any misuse) as English was not his national language and expressed appreciation at being invited to attend the Committee meeting. He said, that in a manner of speaking, he was also representing French territories and the European Union (although 26 other members were not present), with respect to donors. When speaking of donors; he submitted that it was very important for the process to get the matching institution and the visibility of the thing. Europe being an external donor, its countries would not know the Pacific Ocean as well as its members know it. What is more and very important for the European Union is to have more visibility – to know exactly where the money goes, where they can support; and therefore the process that was underway was very important. He went on to support the Australian view that having the process ongoing was very important in terms of attractivity – Europe was supporting many programmes everywhere in the world and if it were very clear where the support was going, this was better and more attractive. He expressed an "external point of view" that the process that was underway was very constructive and promising and it would be bad to slow it down and not achieve the goals that had been decided by the political leaders.

Tuvalu joined other members in appreciating the work done by the three CEOs; and particularly commending the programme trilateral as the most practical way of progressing the Rationalisation. Having said that, he wanted to contribute to the discussion about the timing of the process. Mindful of the comments and the need to progress as directed by the Leaders, Tuvalu did not want to suggest a speed at which this process should proceed. Tuvalu's view is that this process should be carried out at a pace that was comfortable to member countries. Tuvalu, like similar SISs had very weak national capacity to carry out the technical activities that are associated with the work programmes of SOPAC; hence it was very important that the speed at which the Rationalisation process occurred accounted for the [lack of] in-country capacity. He was somewhat supportive of the comments by Papua New Guinea and Tonga, although he was not suggesting slowing down or speeding up the pace – he preferred a pace that island countries were comfortable with given that these were the member countries that were direct beneficiaries of these programmes and particularly noting their capacities at the national level.

Cook Islands thanked his fellow colleagues for responses to some of the points expressed earlier on. With respect to the location issue (the location of the entity and the location of the programmes); he was comforted that Australia's comments meant that the programmes remained in Fiji. He clarified his earlier point citing an example whereby the Ocean and Islands Programme if relocated, because of the exercise, then mobilisation of staff and equipment from another location would definitely have cost implications. On

the issue of timing, he still felt it was crucial given that the process was waiting on SPREP's Council to meet on the Rationalisation issue in September. His view was that if the SCW02 (this meeting) was anything to go by, then there would be an associated timeline from SPREP; however, he did note in the meeting papers that people were working on how absorbing the programmes would impact the countries. He went on to highlight an issue he didn't like to hear, especially at a Council meeting (or any other meeting) and that was the issue of being a donor and at the same time making a comment as a member. He felt this to be unfair, and could be seen to be pushing something as a donor – something that was being discussed as a Committee of the Whole SOPAC Council. He asked that his member colleagues refrain from using that again because it could have a different approach to his own thinking at this point. As a SIS with not much of an economy to assist with the process; but that if he had then he would do so. Hence while acknowledging that there were donor countries sitting at the table that put forward funding of services into the region to assist the SISs and PICs; and while appreciative of what that was about in the Pacific he felt that as mandated charter members of respective councils that each should operate accordingly. If it was the view of the member to table what had been tabled earlier, then it was his to call it 'unfair' to put on the donor hat and address him as a fellow Council member. Cook Islands totally agreed with the views tabled on the timing, staffing and location; however what he had received from his New Zealand counterpart in Tonga was that it was healthy to talk and that it added to the discussion, which became fruitful in the end. At this point he acknowledged an approved TOR and that the Committee was now progressing toward a roadmap.

Tonga supported the view expressed by the Cook Islands; with regard to the comments made by Australia and New Zealand as donors. He felt uneasy about those comments, because members were gathered to discuss the progress of this Committee and the future of these three organisations. He thought it was neither good nor professional to offer donor funding so that the issue progressed according to what the donor preferred. "We are here to serve the Pacific island nations", and if these members at the table think that this progress, with the expertise of the CEOs around, came to a time or stage in their investigation that they think the time was a constraint, then he would like them to say so. Tonga definitely agreed at this point that progress was being made; but when this got to the final stage and the CEOs felt the need for more time, then he wanted to be told about it.

Fiji thanked the previous speakers for some very valuable contributions and registered Fiji's 'profound appreciation' to the CEOs of the three organisations for moving positively ahead with what was mandated for doing at SCW01. Fiji noted the very positive progress as summarised by each CEO's presentation; and looked forward to continued progress along the same lines. He reflected that back in Tonga the spirit surrounding the Council decision and outcomes of this particular issue was to take it forward by taking ownership of the direction set by Council; and to find the best way forward. Considerations of timing and such issues were a product of finding the best way forward. In recognition of the Cook Islands and Australian comments on location that had referred to remarks made by the Fiji Minister in Tonga; he echoed the sentiments of the Cook Islands at being comforted that the relocation of services away from Fiji was never an issue. Fiji's position on the location matter was very clear. He went on to suggest that the retention of the location of SOPAC was more than just the geographical site of SOPAC; but was also about brand name – of SOPAC being 'SOPAC'.

Fiji continued that he noted a common thread from the various contributions tabled so far; which was the importance of continuity in the delivery of services as currently provided by SOPAC in its current form and the risks involved in the whole process of Rationalisation; the latter point touched on briefly by the Director of SPREP when he highlighted "not only identifying where we might improve but also being conscious of what might be lost" in the process of Rationalisation. Fiji is heartened by the fact that everybody recognised the significant step taken in the trilateral gatherings of CEOs and programme managers; and that these had been described as "landmark"; although it caused him some puzzlement that this level of dialogue among agencies had not occurred before. He attributed this to the direct ownership Council had taken on the decision by the Leaders; and taking a systematic approach in finding out the best way to improve service delivery through Rationalisation.

Fiji stated that the importance of the services currently mandated to SOPAC could not be understated, describing one of a number of very important programmes being jointly carried out with SOPAC as being in the extended continental shelf work, submissions deadline for the first quarter in 2009. The work however extended well beyond the submission of the Fiji claim to UNCLOS; Fiji, as one of the larger beneficiary countries, viewed it as essential that services be improved from what they are at the moment. He appreciated that certain neighbouring member countries might not have the level of capacity that Fiji has in the geosciences – yet SOPAC is viewed by Fiji to be the extension of that domestic capability and it was heavily relied upon. The way small island member states viewed SOPAC should be understandable, and

hence their view of the risks involved should the process be taken at a pace that would seem to them 'hurried'. Fiji also totally understood the Australian and New Zealand views in progressing this as practically as possible at a reasonable pace; as long as this pace left no stone unturned in the Committee's consideration of the best options and synergies that the three CEOs were advancing with.

Fiji went on to the issue of staff morale (or the movement of staff in and out of an organisation like SOPAC); he was not exactly sure about the situation on the ground; but that in his dealings with them he didn't perceive any panic and thought that services continued to be delivered with the same degree of efficiency and effectiveness this year as it was in previous years. He thought the movement of staff was a natural part of any technical organisation like SOPAC; and that it was not an issue that should be overemphasised at this point, unless members by constantly raising it as an issue make it so.

Fiji appreciated that there was an element of risk with respect to donor funding; and their view was that these risks were double-edged in that there was risk in moving too slow; but the flipside of that was moving ahead too rapidly to meet timelines with a potential of losing or harming service delivery in the long run and he cautioned a balance in that respect. Fiji continued to seek the understanding of generous donors to the special concerns of the members of the SOPAC. He concluded by commending all the members around the table for the frankness in the exchanging of views under this particular item and he hoped this would prevail throughout and he agreed with the Australian view that it was the only way to progress this positively.

New Zealand apologised for any offence that might have been caused by his earlier remarks; and that none had been intended. He thought that he probably had not expressed himself very well in the point that he was making. He explained that he made reference to donors in a very specific capacity and that it was never an intention to try to push anything through; or to suggest that somehow donors should be calling the shots in this exercise. The specific point that he was trying to make was in reference to comments made by colleagues around the table about the potential difficulties for donor funding in moving quickly through this process, what he had suggested (and also raised by Fiji) was that in moving too slowly there were risks to donor funding. He hoped that explanation undid some of the offence caused by his not expressing himself well enough the first time around.

The Chair ruled that the agenda item had been discussed enough and he summed his general sense of the views expressed thus – that the Committee appreciated the work done by the three CEOs; and the Committee also appreciated the discussion among the senior programme personnel, which was extremely important given the technicalities of their work programmes, as they were the ones implementing programmes. Also, from the general comments he observed that there was common ground in that the Committee of the Whole would be very much guided by the next consultations among the three agencies and that they would be coming up with more technical and practical options to inform more focussed discussions on progressing the Rationalisation of SOPAC's functions. He also noted that the concerns raised by colleagues around the table were valid and natural reactions that needed to be aired as well for the three agencies to bear in mind on how they work on the options and hopefully discussions would be more focussed in the Committee meeting when the reports are received from the three agencies.

At a signal from the Director-General, he allowed SPC to address the meeting again before disposing of the agenda item.

The Director-General of SPC apologised for wishing to take the floor again; but he felt that some of the comments that were raised did impact what SPC did and thought it appropriate to dispel cloudy areas on behalf of SPC to the SCW. He didn't have any comments on the Marshall Islands request for observership (he thought the Committee didn't need advice on it); and went on to address some five points raised by the Cook Islands – How would SOPAC programmes focus on SIS and how would these be impacted if there were shifts to either SPC or SPREP? – SPC reportedly did have a small island focus and it did have small island programmes; and there was actually a member of the executive that had taken the lead on SISs. The SPC focus on small islands was such that country strategies had been developed; 5-year programmes across everything that SPC did for each small island state (being the first group that SPC focussed on) – Cook Islands, Tuvalu, Marshall Islands, Kiribati, Nauru – these are long-term, five-year programmes across everything SPC did, that are linked into national development strategies and plans. He stated that all CROP agencies did have a small island focus; and regardless of what happened SPC's efforts would be in enhancing rather than to minimise, and he thought the same would apply to SPREP. On location there was no issue with SPC; and in fact if SPREP were to take on many of the SOPAC programmes, then he recommended that SPREP did what SPC did, which was to open offices in member countries – pointing out

that the SPC office in Suva was larger than SOPAC with 120 staff serving the region from their base in Fiji, it was also larger than the Forum Secretariat. There was also an office in Micronesia (Pohnpei).

SPC's country focus was very important; and the Director-General advised that for SPREP, it would be very important for it to secure a Fiji office. The effect on funding agencies he commented that for SPC, being the most decentralised agency, funding has never been an issue. SPC programmes that headquartered out of Noumea, the delivery of them was either through its Suva office or the Pohnpei office; or from the country office. In Agriculture, SPC operated seventeen budget lines, one per country; and he assured that it was not an issue for SPC and it allowed it to reach out even further. His view was that if one got the mechanisms right, the funding would never really be an issue. In terms of funding size; the SPC annual budget in Fiji dollar terms was \$130 million, managed in the decentralised mode. Programme managers, deputy directors, directors actually handled operations and he didn't see donor funding security as an issue for SPC. On the matter of impact of isolation of programmes – what SPC had discovered through the decentralisation was that it cut both ways – where there was a very small programme presence at the country level, there was the tendency of being isolated and the person needing more support; but where there was a mechanism of decentralisation, the support both in additional personnel and other services was even more guaranteed with a stronger focus on that area; for example the Papua New Guinea office currently had a staff of six, in health and in agriculture. These were supported by the Suva and Noumea programmes; which was much better than if there were no staff there and that we were working directly with countries that requested assistance – as mentioned earlier, it cut both ways. The fifth point was on mandate – and he stated that from the start, the Canberra Agreement for SPC gave it, apart from politics, to do everything under the sun, which in fact couldn't be done but that SPC's mandate was that wide! Hence when SPREP was established as the environmental agency, the environmental mandate of SPC still sat there. Likewise, when SPBEA moved away from SPC and took over the education quality assurance, that mandate remained in SPC as member countries never did get rid of it. Hence when it came to mandate issues, for SPC a legal assessment on mandate was not really useful or necessary for that matter; but that rather they focussed on how best to take forward the implementation of the various programmes, so that service delivery became the focus regardless of who did it. The current assessment SPC was focussing on was in the areas of the best fits. He also informed that SPC did 3-yearly external evaluation of all programmes, and this involved countries. Countries therefore gave feedback on what they thought was not working, where the focus should be; what it was that SPC should get out of; what it should get into ... and that was determined by the membership and not directed by the Secretariat. It was a mechanism that allowed SPC to interact with the countries – if they think SPC was not doing well in a particular area they tell them, but through the formal review process that was built into their system.

The Director-General said that the timing issue was 'quite crucial' for SPC; and that this would be addressed in full in next agenda item (7 – Roadmap for a Way Forward). From the SPC (within CROP) perspective, he expressed that they could also enter a period of fatigue. The Rationalisation process for the individual governing councils comes in as annual events. As managers of SPC, these have been continuous since 2004, and there would come a point in time to say, "when will this all end?" When would we actually just get on and focus on what organisations should be doing, instead of continuing around with the process for another three or four years. From SPC's perspective; and accounting for the fact the SPREP hadn't yet met on the matter; SPC didn't really want to be talking about this for another two years. He was thinking about what he would be saying to his council by 2009; this year being in the middle of the process. In 2009, at the ministerial level conference, the SPC Council would need to make a decision on whether it continued to talk or get on with work programme implementation. He was putting it from the other perspective; that since 2004 SPC had been working on the various areas (of the RIF). He concluded by echoing a comment from Fiji, which he thought was crucial and had already shared with his counterparts at various times since they started to consult; which was – Why had these types of consultations not happened before? His only comment to that observation was: If CROP agencies had done this type of consultations ten year ago, then Tony Hughes' report would have been different. He wasn't proud of this record; when it took a review to tell him as a CROP head to talk to the others. This was both CROP head as well as governing councils that tended to look (as an organisation) only on a vertical front, rather than looking at their role as facilitating regional cooperation and service. Looking through a useful machine called a "retroscope" – if this type of programme collaboration had been done eight-ten years ago; the review report would have been very good, with a "get on with more of the same" rather than "you need to rationalise". There was a need to learn from these whole Rationalisation exercise; and what was being done through the programme trilaterals was actually setting a foundation for how to do things better in the future.

The Chair thanked the Director-General, particularly for stressing the importance of the CROP heads needing to talk more to each other more. He concluded that the item was covered, and that a lot of issues raised were related to other items still to come on the agenda. He moved the meeting to next item.

7) Roadmap for a Way Forward

Chair introduced the item by referring to the annotated agenda: The Committee had requested the Director to prepare a road map for a way forward between this Committee meeting (SCW02) and the next (SCW03). In anticipation of this task and as a result of consideration of initial outcomes of the first round of trilateral meetings, the Director would be making a presentation on her proposal for the way forward.

Marshall Islands reminded the Chair that he was still waiting for [the resolution] on his request for members to sit in as observers at programme managers' trilateral meetings.

Chair apologised saying there were two questions raised to members and the three CEOs – one was by the Marshall Islands on being able to join the trilateral meetings; and the other was raised by Papua New Guinea (on the EU being invited to SCW). He sought quick views from around the table; especially from the three agencies.

Marshall Islands clarified that it was he that wanted to sit in; and wasn't out to compel other members to attend as well. One of his biggest fears as a recipient of the (SOPAC) programmes was having to wake one morning and find that the services were gone. He was interested in observing the programme managers' progress.

Chair acknowledged the Marshall Islands' clarification and suggested that the [loud] silence from his colleagues was actually consent, and that there were no objections to his entry into programme trilaterals. He suggested that the three agencies circulate the dates of any future meetings of their programme people, and where they're going to meet so that those around the table might know and attend if they were free.

Chair enquired whether there were also no objections to inviting the EU to the next SCW meeting; or was the delegate from France confident enough to represent them all. He pointed out that there was EU representation in Fiji; and if there were no objections, then they could just be invited next time.

The Director of SOPAC agreed that if the Committee had no objections, then for the third meeting the Secretariat would certainly send an invitation to the EU. She reminded the meeting that she had written after the SCW01 to seek the views of Council members with respect to observers; and expressed her willingness to follow the same course and write to Council members with respect to inviting donors to observe at Committee meetings.

The SPREP Director said it was the privilege of members to observe the CEO meetings. He did want to point out that the decision was the members'. At the end of the day the CEOs were going to be accountable to members, with recommendations being tabled before members – therefore members would not wake up one day and find that the deed was done – it would be members that would decide. Secondly, he observed from the discussions already had that some members did not actually believe that progress was being made – or that there was insincerity in what was being done. Speaking for himself, the SPREP Director explained that the Rationalisation was not an easy exercise. He wanted to be certain that at the end of the day he would be tabling the best advice before members that he knew; and that advice he revealed rested with his professional staff; and not with himself. He thought people needed to be upfront in confirming that there was no unnecessary dragging of feet, and that the necessary time was being taken to produce the best possible result based on the best information, analysis and options that the agencies' professional staff can help the CEOs deliver to members.

The Director of SOPAC presented her paper outlining a Roadmap for a Way Forward, before lunch. Paper copies of the presentation and the 'non-paper' were distributed at the meeting; and digital copies were placed on the RIF Page of the SOPAC website after the meeting.

The main points of what the Director of SOPAC presented follows:

- Underpinning the first of the CEO and programme trilateral meetings of the three organisations through their consultative process on paragraph 19b, the guiding principles articulated in the

CRGA and SOPAC Governing Council decisions was suggested to continue to guide on the way forward.

- SOPAC Council had decided to take ownership and leadership of the RIF process with regard to the Rationalisation, and in response to paragraph 19b of the Leaders' Communiqué (2007).
- Wherever components of the current SOPAC work programme were eventually to be placed institutionally, that governing bodies were assured that service support to island members currently provided through SOPAC would continue and, more importantly, would improve.
- SOPAC's conceptual framework advocated use of the multi-disciplinary, integrated approach in terms of delivering its applied scientific and technical solutions to members; unified with policy and strategy formulations based on some of the social science work that was becoming an important part of SOPAC's work programme. While not unique the approach was critical and recognition of it essential when moving through the Rationalisation-absorption process and into the new institutional arrangements.
- Encouraged by the interventions of members following presentations by SPC, SOPAC and SPREP on the progress made with respect to the trilateral discussions; and acceptance that parties had not arrived yet at institutional arrangement options to be further examined.
- Reminded the Committee about options that SCW01 had deemed sensible: Option 2 – all of SOPAC's services and functions into SPC; Option 3 – all of SOPAC's services and functions into SPREP; and Option 4 – the bulk of SOPAC's work programme into either/or SPREP/SPC with the residual of the work programme into the other.
- SOPAC presentations at the programme trilateral emphasised the SOPAC Council concern about maintaining the integrity of SOPAC's work programme as much as possible in order that the integrated, multi-disciplinary approach used by SOPAC to deliver programmes and more importantly its scientific and technical solutions was not compromised.
- Once the outcome was determined, discussions at programme and CEO levels should emerge with various institutional arrangements; then the change process would need to be mapped out and a timeline framework set in place.
- Committee to manage the change process and roadmap to ensure that the outcome was sustainable.
- To ensure improved service delivery the Committee needed to consider business cases from SPC and SPREP, and some sort of independent due diligence check on the business cases to also ensure that none of SOPAC's services were lost nor indeed compromised.
- Before the change process could be managed it needed to be determined and agreed upon to ensure the outcome itself was a sustainable one; and that the various actions undertaken accounted for sustainability, and also that it was assured; for example, the current work programme secured and fully resourced; service delivery to members ensured; and further improvement nurtured and demonstrated could be the goal of the roadmap.
- The Committee should consider and also agree that a sustainable outcome must retain the work programme; or at least the majority of the work programme as a whole citing that past work by Siwatibau and Muller (2000)², on integration of SPC and SOPAC, had recommended the same. and suggested that based on recent discussions and views the Business cases needed to reflect this for Committee consideration; which would hopefully be shared later in the year.
- Improved service delivery and effectiveness under new institutional arrangements would need to be demonstrated or shown to members at the outputs level and outcomes level. Members' insights on what improved service delivery should look like would be useful.

² SOPAC-SPC Integration Study Report/by Savenaca Siwatibau & Philipp Muller, August 2000 (SOPAC Miscellaneous Report xxx)

- In terms of business cases, Paragraph 19(b) said “rationalise the services and functions of SOPAC into SPC and SPREP”; hence these would be the two organisations to endure beyond this process. The business cases were for their councils to show how SOPAC services would be received, continued and improved; and at the same time not compromise the delivery of the services they are currently responsible for. SPREP and SPC heads at that point take on bigger roles with the SOPAC head taking the advisory role. The Secretariats would need to work very closely to ensure the business cases were comprehensive and sensible. The business cases would also need to demonstrate how the services of STAR would be retained for the region.
- Following due process would require the Committee to ensure that due diligence checks were carried out on the two business cases for validation. Due diligence checks and business cases should be considered together by the Committee.
- In terms of timing, trilaterals and bilaterals would continue right through to the SPC committee and SPREP council meetings in 2009 when business cases details should be being finalised. Timing for the legal assessment would be into early 2009; because the SOPAC Council meeting in Funafuti at the end of October (2008) could raise issues that require further work. The same timing applied to the work on the contractual implications as well. Suggested that the first airing of business cases plus due diligence checks, and the legal assessment, and perhaps any other assessments that might emerge could be as early as the Funafuti SOPAC Council meeting (2008). Given that Council could require further work, it was highly likely that the SCW would continue its work in 2009, meeting inter-sessionally to refine the business cases, and consider the view of the other two organisations involved.
- Further, on timing a decision to receive the services of SOPAC could be taken by the SPC Committee and SPREP Council in 2009. Those (2009) meetings would occur in advance of the SOPAC Council meeting, and if this sequencing were retained, then by SOPAC Council meeting 2009 a final decision could be taken by SOPAC Council in the knowledge that both SPC or SPREP and/or SPREP were willing and able to accept the services. Absorption could start to occur as soon as the end of 2009; and into 2010. The 2009 SOPAC Council meeting could also take the decision to either dissolve or suspend the organisation SOPAC.
- Diagram in the slide presentation outlined the proposed sequencing of assessments and activities.

The full presentation and paper for this Item (SCW02/7.1 & 7.2) were distributed to members of the SCW, and is also available on the RIF Page.

The Chair thanked the Secretariat for the presentation that the Committee would discuss as advised, after lunch and adjourned the meeting.

POST-LUNCH SESSION

The Chair called the meeting to order at 2:05 pm to resume the business. He thanked the Director of SOPAC for the comprehensive presentation on the way forward; and the indicative timelines proposed for the Rationalisation exercise. Before inviting comments on the material presented; Chair invited the heads of SPREP and SPC to help enlighten the Committee further on the presentation.

The Director of SPREP confirmed that SPREP Council would meet in September (2008); hence his involvement in discussions with the CEOs of SOPAC and SPC was to try to assist them meet the deadlines set for themselves and to get a rational outcome. He hoped the SPREP Council would handle the matter like the other two councils in endorsing the idea in principle and moving ahead with it. If this were the case, then the timeline presented would hold true; but if on the other hand the SPREP Council reacted with a request for more information before they made up their mind; then these timelines obviously would not hold with respect to SPREP. It was not within his control to say “Yes” or “No”.

The SPC Director-General highlighted the first anomaly that the three organisations were not on the same page, vis-à-vis governing councils’ instructions. He was hopeful that the outcomes of these consultations would work to SPREP’s advantage in serving as a brief to the SPREP Council; and some of the questions

and issues that may be raised by the SPREP Council may be answered by the outcomes of these consultations and help keep within the time frame as presented.

Further, from the SPC perspective they were in general quite happy with the proposed time frame, as he had mentioned the 'fatigue factor' already and that they would come to a point where they would rather focus on implementation and servicing members; and that the culmination in 2010 was for SPC the 'best scenario realistic target'. He was concluding this taking into account the SPC experience in RIF discussions with other CROP agencies. Milestones he felt made timelines achievable; and without them the implementation date could become a moving target. The business case concept was not his ideal. His view was that there had been a process of consultation begun among the three agencies; and that in the ideal scenario; the consultation would turn up an option. Consultations would arrive at an agreement of what goes to SPREP and what goes to SPC from the secretariats' perspectives before these were then presented to respective governing councils; in particular to the SCW; and from that point the three (CEOs) would develop a joint implementation plan. In his mind, business cases created a sense of competition; in that SPC and SPREP were bidding against each other for something; whereas with his 'ideal scenario' the cooperative process was the best modality for agreement; hence his preference was that the three CEOs present a joint framework for implementation to the Committee that addressed all the issues that it might have. He suggested to the SOPAC Director whether it were not better to advance the consultative process rather than 'business case bidding' at the end, develop a joint framework for action for presentation to the SOPAC and SPC councils, and that this might help SPREP in articulating some of the issues for itself.

The Chair thanked the two CEOs for the very valid points raised, which he thought would be useful in guiding members around the table on how the Committee would proceed with the presentation and the way forward with the Rationalisation. The Chair then opened the floor to all members for their comments.

The Cook Islands thanked the CEOs of SPREP and SPC for their views on the Rationalisation issue, particularly for their take on the way forward in coming together as a group of three agencies to facilitate the transition process for SOPAC. In view of the issues at hand and with respect to business cases, he pointed out that these could also be called business plans. He thought there was experience enough around the table to write business plans. He used the example of what the Cook Islands was going through at this time with respect to new and exciting interest being expressed in its vast resource of manganese nodules to illustrate his point, on what was being requested via the business cases from SPC and SPREP. Further, the progress taking place today on specific country requirements with respect to the extended continental shelf (eCS) issue that relates to seabed mining and other seafloor and sub seafloor resources was also quite involved and extensive. He mentioned that these were covered under the Pacific Islands Regional Ocean Policy, and the Pacific Plan of which the current Rationalisation process was part and parcel that was to do with looking after the resources of the Pacific. These sorts of examples were what could be used to devise business cases. The delegate also shared that the Cook Islands was entering very interesting times and many years after the first identification of its vast resource of manganese nodules with many companies wanting to buy in to the Cook Islands' manganese nodules programme with many entities fronting up to Cabinet to present their cases offering all sorts of plans to mine, especially the licensing issue. At this time, when it was almost certain that mining would take place in the very near future; the Cook Islands would need all the experts, all the assistance and technical advice necessary, which SOPAC has helped with over the years. As the repository of all the PICs data on the Pacific Ocean and in particular [its] non-living resources, this was the time when Cook Islands would be heavily relying on SOPAC to produce documents to protect it against entities that were there "just for the killing". This was also the time that the potential for the extension of the Cook Island states' continental margin to over 287 000 sq km of additional seabed area, needed examining. This would again attract more interest from many parties and therefore the advice of SOPAC would be required in this particular area to nurture and take the Cook Islands through the process that would ensure a fruitful economic return for them, in future. He had been reading with great interest documentation regarding the exploration already occurring in Papua New Guinea waters and was especially interested in the economics around the whole process. This was a particular area that Cook Islands had been studying with SOPAC support; and that in forty years it 'was just about coming right'. Further that they were ever-mindful of in-country capacity required to handle such a programme – it would require a lot of rigorous planning and resource management.

Cook Islands returned to explaining his view with respect to the business cases; and that he took on board the SPC view of continuing with talks so that there would be some alignments on how future programmes could be delivered. The example tabled above was a classic case of where the Cook Islands had a lot of data with SOPAC based in Fiji and critical to understanding, assessing and managing the deep-sea mineral resource. He also offered that the same could be said of SOPAC's Disaster Risk Management (DRM)

programme which was moved around 1999 to SOPAC from the UN (UNDHA). He advised that SOPAC worked to develop the plans and relevant papers required to secure resources to undertake a full disaster management programme and devised a transparent approach for requesting assistance in those particular areas both in and for PICs – this was one other area that was very important to PICs. If these types of programmes could be facilitated; he was sure that member countries, the SOPAC Council and other councils would be happy with the delivery principles and satisfy themselves through properly articulated and demonstrated assurances of effective and improved delivery of services to all the countries in the Pacific. He concluded by saying that he would rest his case with the two examples; because if he went on to enumerate the other examples he would be the only one on the microphone all afternoon.

Fiji, as a follow up to the comments from the SPC Director-General, wondered about the element of competition suggested by the business case concept, and asked for further comments from the Director of SOPAC on that particular aspect.

The SOPAC Director agreed that the way in which the concept was presented probably suggested an element of competitiveness in terms of business case development; however with the various trilateral and bilateral consultations that would need to occur; what was hoped was that these business cases developed by SPC and SPREP would emerge as complementary. There had been talks around institutional arrangements, and it was hoped that the Rationalisation exercise continuing with CEO and programme consultations would provide clarity as to which of the two organisations would accept the bulk of the functions and services of SOPAC – and at that particular point the business case developed by that organisation would need to outline what would happen; how the services would be absorbed and how they would be demonstrated in terms of delivery by the organisation once absorbed; and that assurances would need to be given to the receiving agency's council and to the SOPAC Council that there would be improvements with no compromises in the delivery of all services. She apologised to the Committee for creating a sense that there would be competitive bid(s), and she hoped that the consultative process would result in complementary business cases. She also offered that, using the concept, SPC and SPREP should be able to outline to their respective councils what it was they stood to receive or inherit. She suggested that the proposition as presented be accepted seriously, because as the process moved through to the end where the final decision(s) would be made, SOPAC Council would need to consider the total package of two business cases and the related due diligence. She explained that for SPC, they would be interested in what it was [from SOPAC] that they would be responsible for continuing to provide to the members; likewise for SPREP. She certainly agreed that the way in which the business cases were developed would need to be joint; hence her point about working very closely with her counterparts. She concluded that in terms of clarity for the receiving organisations, it may be prudent to show what was going where; and how those services were going to be delivered differently and actually be improved.

The Chair asked Fiji whether he wanted to continue with his intervention after the explanation by the Director.

Fiji thanked the Director of SOPAC for the clarification and that in that light Fiji was reassured because he did share the concern expressed by the Director-General of SPC that an element of competition had been introduced. He was happy to hear that the process of trilateral consultations and engagement should take care of issues while developing the business cases. The second issue Fiji raised was to do with the due diligence phase; and he recalled from the first Committee meeting discussions, that Fiji proposed that at some stage there would need to be a step where members would be able to assure themselves that the outcomes of all the assessments and analyses undertaken by the three heads of organisations were indeed in the best interest, in terms of delivery to individual members. The actual words used in the (SCW01) Record was for an 'independent consultant' – Fiji enquired whether the 'due diligence' within the timeline as presented took care of that proposal by Fiji; or was there a separate provision for that?

Chair requested the SOPAC Secretariat to respond to the enquiry by Fiji.

The Director of SOPAC explained that in presenting the need for due diligence on the two business cases that would be developed by SPC and SPREP; it was really a validation exercise to be sure that none of the services currently being provided by SOPAC to members, and that remained priorities, would be lost. Also beyond that to provide Council with assurances that what was being suggested in terms of implementation and the continued delivery of the services actually made sense. With respect to the Fiji comments and suggestion at SCW01, her recollection was around providing members with assurance that they would continue to enjoy whatever services that SOPAC provided under whatever new arrangements that would emerge, and that the services were in fact improved. The Director reported that she had yet to outline a

detailed terms of reference for the 'due diligence', therefore at this stage, she was following due process in proposing it to the Committee now; and it would be something she would need to work on, and get agreement for by the Committee at a future meeting. The final decision would be based upon the fact that members were assured that SOPAC services would be better (that is improved service delivery) in the receiving organisation(s) – and on that basis it was hoped that the business cases and related due diligences should be sufficient and comprehensive enough to provide Council with that level of assurance.

Australia referred to the diagram in the presentation (slide 3) where the business cases and due diligence checks were presented and directed her question to the three CEOs about how their councils felt about their CEOs presenting business cases to the SOPAC Council for what seemed like some sort of arbitration or approval. She thought the process seemed strange and was interested in hearing how, as CEOs, they saw that. She had not seen such a process before and wondered what role that gave to the SOPAC Council vis-à-vis the other councils.

The Director of SOPAC said that she had mentioned during her presentation that the SOPAC Committee could encourage the heads of SPC and SPREP to develop business cases. From SOPAC Council perspective, she said Australia was 'absolutely right' in that the SOPAC Council could not be instructing the SPREP and SPC CEOs; however, in the actual decision taken by the Leaders, they did mention three organisations: SOPAC, SPC and SPREP; and they also did mention that SOPAC services and functions would be rationalised into two receiving organisations, and so at some stage there would need to be some level of interaction between the committees and councils of those three organisation. She repeated that SOPAC members would need to be assured that the services and functions that are currently being offered by SOPAC would continue and would in fact, improve. She went on to suggest that the Committee and Council of SPC and SPREP would need to also be assured that any services they were willing to accept would be improved as well as improve/enhance the current services that they were offering. She suggested that it would have to be a discussion or consultation between the members of those respective organisations. In terms of the time lines and sequencing, she hoped that the way in which it was presented allowed for those organisations to have an opportunity to see what optimum institutional arrangements were being proposed, before the final consideration and decision by the SOPAC Council. As much as it was at the CEO level, it would also need to be similar between the owners or the shareholders of these respective agencies.

Australia expressed interest in hearing responses from the other CEOs as well.

The Chair announced that the floor was certainly open for the two.

The SPC Director-General submitted that the SPC issue with business cases was probably not in the process, but rather the label and connotation of a 'business case.' He personally found it easier to have milestones, because the process could then be related to the milestones. For example if the first milestone was said to be the packaging of services that went to SPREP or SPC, and then added to that the time when there would be an idea of that packaging at the next meeting in July (SCW03) – that if that were an area where there was some agreement then that would be, in a sense, having a consensus at that point. From that point he saw his role as taking the part allotted to SPC and developing that further for two purposes: (1) to report to the SCW that these services had been implemented by SOPAC under the following structure and the following associated resources; then show how it might fit within SPC in a way that addressed the issues that the SOPAC Council might have. (2) He would present the same issues to the CRGA but in a slightly different manner, for example. "This is what the Forum Leaders' (19b) said, in going through the implementation plan you've instructed us to develop a roadmap for the implementation and part of that process has agreed that this is what comes to us, and therefore I'm presenting this to you as the expansion of the work programme of SPC and this is how it will fit; and this is how it's resourced, in order to ensure that we build an enhanced mechanism – because at the end of the day we've got to provide a service that is at least equal to the current, or better." He viewed the business case as more an implementation framework because it started off from a consensus, hence ensured that the best arrangement was accomplished. The whole process as described by the SOPAC Director was intact and his initial concern was with the term 'business case' and what it implied. He also heard a concern expressed about programmes that neither SPC nor SPREP would take; and stated that he didn't think there was an option for being selective over what an agency would receive or not, according to the intent of the decisions already taken. He concluded that the CEOs of the receiving agencies would need to account for everything that was there and adding to it, in their planning.

Chair sought the SPREP view on the question posed by Australia.

The SPREP Director started with “a rose by any other name is still a rose,” and stated that the problem here was trying to manage the change that Leaders had tasked the organisations to carry out. The process had begun for both SOPAC and SPC; but not SPREP and SPREP was wishing to learn from this process how to manage the change for better coordination all round. He was, by participating, providing the information, the feedback and hopefully some wisdom into the whole process. The Director stated that he was at hand to gain some wisdom to take back to the SPREP Council; so that at the end of the day the decision they made was the best one for the region. In terms of process, he pointed out that “nobody said, ‘this is how you do it’, they said, ‘you the CEOs get together and do this.’” Hence this was a trial and error process and so perhaps ‘business case’ was not a good term; ‘milestone’ was perhaps a better word; ‘recommendation’ ‘options’ maybe even better. The Committee should assess these from whether they made sense to rationalise – the point of the matter was that proposals are needed, due diligence checks on those proposals are also needed, and the Committee needed to be assured that what was [eventually] presented to the councils was not only what the three CEOs wanted; but that these were actually professional assessments within the organisations themselves and seconded by an independent mind; or an independent body.

On the timeline; Director of SPREP said Australia had a point in questioning why the other two CEOs should be reporting to the SOPAC Council because they were not accountable to it. This was correct, and that they may not be accountable; but by virtue of the decision of the Forum Leaders, we’re all in the same boat in trying to figure out our roles – and they had said Rationalise – so this was one way. If the Committee thought the way wrong, then this was the reason for the meeting; to learn together and then from there take it further. He counselled that the group should not get bogged down on semantics but rather agree on the process. He felt the timeline was important; and also important to be seen as moving forward; however, not at a rate that too many mistakes that couldn’t be undone; or to learn from were committed. He thought the SOPAC Director’s thinking on the matter was a rational way of moving forward; and he was certain that she had been advised by her staff and that as CEO would like to contribute to that. The CEO trilaterals were not an assurance that what came out was rational; but it was one attempt to rationalise what came out; the Committee would judge the final product at the end of the day. He agreed with the Director-General that the timeline of 2010 was realistic. He thought that the use of the screening process – by subjecting this to cost analysis, due diligence, business plans or prospectus, or recommendations or options – were normal processes to screen and show that the end result was a rational option.

New Zealand assessed there was a lot of wisdom in what the three heads of agencies had been presenting. The model before the Committee of the business cases and the due diligence are certainly important ingredients in the process arriving at the best outcome. Also he took on board Director SPREP’s remark about not getting bogged down in semantics but one principle that he thought important for governing bodies was that secretariats should try to make life as easy as possible for their governing bodies. He noted that the Committee had been informed that the trilateral discussions were continuing on optimum arrangements and that the business cases to emerge should be compatible; hence he thought the fundamental work was there already. He wondered why Council could not be presented with a consolidated set of advice that had the stamp of the three CEOs, based on the business plans, the due diligence, trilateral consultations etc; instead of a sort of five-element product that included two business cases (hopefully compatible), two sets of due diligence and legal requirements. He submitted that for a Governing body it was a lot easier, and a lot more workable to have something that had gone that extra step; than having to dig into the details – he was certainly not suggesting the groundwork not be available for members as background information if they did want it; to see what underlay the advice in more detail, but for the paper coming to the Council; he suggested it optimum that the secretariats go the next step and have the joint paper for endorsement and decision.

Fiji responded to the New Zealand question on why not go straight through to the final joint paper package by submitting that given the gravity of the issues surrounding the RIF review process – a subject that had been under discussion and quite intense debate throughout at officials level of the FOC process; down to the SOPAC Council meeting and even now at the first and second SCW meetings – and the high stakes involved in this for SISs, Fiji retained the view that it was absolutely dear to them that at every stage, they were given every opportunity to assure ourselves (as very dependent recipients of current and projected SOPAC services) that services would not be compromised. They would prefer to have a say at each stage of the development of a final decision on this matter. Fiji appreciated the need to simplify the processes as much as possible at the CEOs level but their view was that one of the main reasons for the SCW’s existence; was not only to save having that work taken to the full Council but to also retain some measure of scrutiny of details. This was not to discount the benefits of having a final joint proposal/report all fully

endorsed. Fiji deemed it absolutely crucial that they be involved at every stage; and that it had nothing to do with not sufficiently trusting in the CEOs; but had everything to do with the high stakes involved. The second point Fiji wanted to bring up was related to an earlier question about where the independent consultant came into the process. Fiji continued to hold the view that the development of business cases and due diligence checks were focussed on the three affected organisations themselves – such as the financial, administrative aspects of rationalising and moving services across – what Fiji wanted to see was how the fourth partner in this equation, individual member states and key shareholders, would be affected by the change. Fiji wished to see a solid step put in, before the time for final decisions, where recipient island member states of SOPAC services had opportunity for an independent scrutiny, from their perspective.

Marshall Islands recorded their support for the way forward presented, whether this one by SOPAC or maybe from SPC and SPREP. From the point of view of the member countries; so long as that they were assured that service delivery was going to continue and get even better; then it eliminated one of the main concerns they had. Hence, if SPC was able to prove that it would certainly take on the services and deliver them in a better way; then the Marshall Islands was satisfied. SPC's CRGA would need to see if this was going to be a burden to SPC, that is where would the funds come from to ensure that programmes continued. He encouraged the three CEOs to continue to work together for a common way forward, that would serve member countries. Marshall Islands realised, as discussions started, the enormous amount of work that had been done and would need to be done; and he wondered how much money had already been spent from the working committees when they began at the Forum up until this exercise with the three agencies: SOPAC, SPC and then SPREP. He was interested in knowing how much money had already been spent and would continue to be spent on this – 'if this money had been used for something else to members' benefit' were the type of questions and issues that he was struggling with.

Cook Islands thanked the previous speakers for the issues they raised, as they did highlight the thinking at this point in moving forward. He concurred with the views expressed that SISs wanted assurances of continued and improved delivery of services to the islands. The words 'business case' he realised were not rhyming well with SPREP or SPC, but he noted that they had explained these issues and he thanked them for it; and in a way this assured him as a Committee and Council member, that services would actually be aptly delivered should the Rationalisation process go ahead. Certainly, at this juncture, while each CEO was still responsible to their own Council; even the joint papers by CEOs as suggested by New Zealand would still need clearances from the Committee so the Council was aware of everything that was happening; and the same went for the other two agencies. Although the process had begun with the highly commendable meetings among the three agencies – the issues that had been tabled by the members throughout the day must be taken on board, and in concert with views expressed by the heads of SPC and SPREP. Until then, this SOPAC Committee of the Whole Council's deliberations would have a bearing on what got presented to Council in October.

Cook Islands continued that Leaders would meet before the SOPAC Council (2008); and how Leaders would look at this process would not be known until they met in August (2008) in Niue. His view of the current process (which brought to mind the Marshall Islands point made earlier) considered what could happen, if the Leaders reversed or changed what was expressed in Paragraph 19b of their (2007) Communiqué. These were just administrative processes; and in reading the SOPAC Director's paper, he wanted to add one other thing – that as a Committee member he would like to know how programme interventions in the SOPAC mandate would be delivered by another. Naturally SOPAC could not tell the SPREP and SPC CEOs how they should move about in their own organisations but they have expressed views and those could form part of the option(s) to pave the way for the SCW to come to closure on this issue. It should be completely understood how SISs have relied heavily on SOPAC to deliver certain services because of the [lack of] in-country capacity, especially in scientific and technical areas. In view of this it was only healthy that there was some form of dialogue or continuous talk on options tabled for each organisation to have a look at. The SCW would need to come to a closure on this because of the SOPAC meeting in October (2008). We don't want to make a decision that the Council will hold us all responsible for; and it should be something that aligned the views of all council members. The last SOPAC meeting in Tonga 2007 showed certain countries held their own view towards this particular issue. Therefore the job of the SCW would be to make a good case for Council to discuss in the session to come. He agreed that if the words 'business case' were unsavoury, they could be changed to reflect what the other Committee members preferred and found more palatable; but certainly those elements in the paper by the SOPAC Director did require a decision and some thoughts on how SCW intended to facilitate the process.

The Chair decided that the Committee had come to the end of discussions on the topic itself. He noted that Marshall Islands had raised an issue about the costing on the entire RIF exercise and suggested that this could be provided in consultation with the PIFS for the next meeting. Chair also noted the matter raised by Fiji of the need to be informed on a regular basis – and that the Committee had agreed that trilateral meetings would continue, and that it was open to observership from Council members. His grasp of the discussion was that the Governing Council or the members of SOPAC would continue to be involved in the process through the feedback through the SCW; and also the Council meeting, which would scrutinise every outcome of trilateral meetings and the form of recommendations, that came; and the options developed. The Chair enquired whether that [summation] would take care of the Fiji concern as well.

Fiji replied that their concern was largely covered; but that from their perspective it was not only being involved in the trilaterals that Fiji would be interested in but also the documented outcomes of those being reported to this Committee, for its collective deliberation. While he did acknowledge the irregularity of having executives of other organisations answer to the SOPAC Council, Fiji was also referring to the need to have these executives provide their own views on how SOPAC services could be effectively taken across and services improved. This was a unique case and hence it was inevitable that some degree of cross reporting might occur. Fiji viewed this as also part of what they were asking in terms of giving recipient island states the opportunity to assure ourselves if indeed services that moved across to whichever agency meant that an improvement in the delivery of services would be assured. He begged to differ from a comment made by the Director-General of SPC about the transferred services being “at least equal to or better” – he thought the whole point of the exercise was to end up with an arrangement that did improve service delivery and that “at least we maintain services” should not be acceptable. While he still had the floor he asked where in the current time frame would the finalising of members’ views about the option that would be taken, fit.

The Director of SOPAC said that in terms of the institutional arrangement the three CEOs would be working on those over the next week(s), with the hope that in advance of the third Committee meeting (SCW03); that recommended option(s) could be shared with members on the emerging institutional arrangements that would form the absorption plans into SPREP and SPC. She also answered an earlier enquiry from Fiji on the independent assessment from the perspective of the recipient states – that during CEO trilaterals they would discuss how that could be addressed – in fact she thought the New Zealand suggestion of pulling together a more consolidated advisory to Council instead of a five-element product may well be the ideal point where an independent assessment could be included.

The SPREP Director concluded from what he was hearing around the table that members, especially the recipient countries, wanted to reserve for themselves the sovereign right of scrutinising what would go up to the Council(s) – that is there seemed to be a need to be assured about what was going to be decided on and then take a position at the country level and he wanted to be assured that this was indeed what he was hearing; because if that was the case, then it would need to be worked into the process and into the timeline. Also, at the risk of beating a dead horse to death, whatever comes out, in terms of business plan or options, come September and the SPREP Council says, “I’m sorry you need to go back to the drawing board” – realistically what the three CEOs were proposing; and filtering through the SCW was sensible and doable. He was verbalising this so that there would be no misunderstanding or misconception that what was agreed here by the Committee was not seen to be derailed if a certain Council, quite conceivably, said, “Well we need more time.” That is not to say that the SPREP Secretariat is not working with the other secretariat(s) in trying to achieve the decision that had been made by the Forum Leaders. He submitted those as the parameters within which the work had to be done to ensure that what comes out at the end was owned by members of SOPAC.

The SPC Director-General confirmed everything his SPREP counterpart said. For himself at this meeting, he informed that he would like to use information that came out of the SOPAC process; and present the same. He thought it important that what came out of SCW (maybe written slightly differently) and his message were the same; particularly on the way forward after the respective governing council meetings of 2008. The information, he said, had to be similar, that was reported back to respective governing councils. He proposed to the SCW for consideration, something which he would probably also ask the SPC Committee to consider this year and that was if the decision point were next year (2009), the SCW might wish to have all three CEOs reporting the same paper to all three governing councils and the Forum Leaders. In a sense it was the one body presenting the case because there were four key parties to this – the Forum Leaders (that made the decision with this group being the people [subjects] that were looking at the decision); and there were three governing councils party to the decision.

The Chair thanked his colleagues and rounded up with saying that the meeting had heard a presentation and that it was noted and agreed, whilst noting the concerns and views raised around the table.

At this stage he suggested taking a break and announced that the meeting would return to deal with the remaining two items; and since these were all related if members had additional views on the presentation under Item 7, they could always raise it under later items.

8) Update on Timelines and Constraints

The Chair called the meeting to order at 3:50 pm, thanking delegates for their patience and that they would proceed to complete the agenda, beginning with Item 8, the update on timelines and constraints.

The SOPAC Director introduced the item, remarking that she had earlier shared with members the various meetings and the sequencing of those in respect of SOPAC's meeting. The item was to also hear from the PIFS, SPREP and SPC on the exact dates for their 2008 meetings. She provided the SOPAC dates as 22nd to 30th of October (2008) and confirmed to be held in Funafuti, Tuvalu.

The Chair opened the floor to SPREP and SPC to update the meeting on their Council meeting dates.

Director SPREP informed that SPREP Council would meet before SPC's CRGA, from the 8th to the 12th of September, in Pohnpei, Federated States of Micronesia.

Director-General of SPC said the SPC meeting was 13th to 16th October in Noumea.

The PIFS representatives [in conference] gave the 19th of August to be when the Leaders met in retreat. The pre-Forum FOC was scheduled for the 23rd and 24th of July, which would be preceded by the Pacific Plan Action Committee meeting on the 21st and 22nd of July (PPAC also had an interest in the outcome of the SCW process). The representative recorded that there was intent to report back to Leaders on the SOPAC as well as the Forum (with the FFA) processes, through the Pacific Plan Action Committee. Reporting might also be channelled through the FOC but it was still being debated whether it would touch the subject – by either of the PPAC or FOC mechanisms, the report back to Leaders on the progress on processes undertaken in respect of the RIF review was expected.

The Director of SOPAC responded on that note reminding the Committee that it was the intention of the SOPAC Chair (by decision) to write to the Forum Chair providing an update on what had occurred since the Forum Communiqué up until the August 2008 meeting. The SCW would need to work with the Chair on drafting that letter at its third meeting, which would hopefully occur in advance of the pre-Forum FOC and the PPAC meetings.

The PIFS representative said they would certainly appreciate access to that letter so that SOPAC and PIFS were in sync with respect to any message that went to the Forum Leaders.

The Chair ruled that the whole purpose of this item had been accomplished, which was to inform on the dates of the major meetings related to the RIF exercise on SOPAC.

9) SOPAC Director Work Programme between SCW02 and SCW03

- Tasks to be Completed

The Chair gave the floor to the Director to introduce the item.

Director of SOPAC said the purpose of the agenda item was for the Committee to provide guidance (as it did during its first meeting) on what she needed to do between SCW02 and SCW03. She had reported to the Committee on the tasks that were underway and trusted that the verbal reports provided with her SPC and SPREP counterparts had given the Committee information on the progress against various actions. She requested further guidance from the Committee as to any other specific actions requiring work for reporting to SCW03, proposed for 16th of July. She referred to the tasks outlined on the slides in the presentation under Item 7; as ongoing tasks that would be attended to by the three CEOs; but that she was ready to hear about tasks additional to that.

The Chair moved the meeting to Item 10, as there was no response to the Director's request.

10) Date of SCW03

The Chair introduced the item, which the Director had already advised as proposed for the 16th of July 2008 – this would be the last Committee meeting before the SOPAC Council meeting. Chair asked if anyone had any problems with the tentative date, 16th July.

Since silence was the answer to the Chair's question, he ruled the date endorsed by the members.

11) Other Business

Chair announced the item and opened the floor to members if they had other business to bring up.

Marshall Islands brought up a matter that was discussed earlier on the inclusion of the EU at SCW meetings. He reported that while the Papua New Guinea delegate had only been thinking of the EU (as the major contributor to the SOPAC Work Programme) in making her suggestion, he was treading with caution because of the implication that if one donor were invited, the rest would have to be invited as well and then the gathering would become too big. He wanted to know how the meeting felt about it.

The Chair invited Papua New Guinea and other members to contribute to the matter.

France said that the EU was 27% already on board, with France; and that he would inform of course all the other member states of Europe.

Papua New Guinea clarified that her view was just to include the EU as observers by virtue of being the major funder of SOPAC projects. She was sure they would also be concerned about the money they had spent and the Rationalisation process that was going on. They would be interested in what was going to happen to some of the programmes under the 10th EDF and the future of the other programmes and projects that SOPAC was currently undertaking. She thought it would be good that they be also part of the process to have an insight into the Rationalisation. She left it to the members benefitting out of those projects to decide, and concluded that the EU would have a say in the end anyway; on what they wanted to fund and what they thought was important.

The Chair thanked Papua New Guinea and said that the floor was opened to other members to comment on the issue. He summed that the meeting had a proposal from France to inform the EU on outcomes; or alternatively if the SCW felt that it could become so large to become unmanageable, then the EU could be included in the circulation list for the results and outcomes of the meetings – but that was up to the members.

Australia sought clarification as to which meeting was being referred to, [for EU] having attendance at.

The Chair replied that it was the Committee of the Whole meetings (SCW) to include donors (like EU). SOPAC hadn't really named the other donors involved with SOPAC's programme [at this forum].

On this issue it was Cook Islands view that it was good to have the EU around the table at Committee level; but he understood they already attended SOPAC sessions. He suggested that after Committee meetings; and provided the EU Delegate was in-country, that SOPAC had dialogue with them and other members of the donor community, so that they may be kept abreast with what's occurring. Like Papua New Guinea, Cook Islands was also mindful of the large amount of funding that the EU had granted to SOPAC to carry out programmes, hence the need to advise them of progress in this process. He described the EU programmes as running well, EDF9 about to conclude, and EDF10 still being firmed up. He reiterated his view that SOPAC should meet with them to advise them of outcomes after the Committee meetings, and that the SCW minutes should also be sent to them.

The Chair summed up that it appeared from the discussion and views expressed by the Cook Islands and Marshall Islands that the EU would be included in the mailing list of those to get the outcomes of the Committee meetings so they are fully aware of the progress of the Rationalisation. The Chair also asked

the Director of SOPAC, that whenever she had time to also consult donors, advising them of progress, especially if they were based in Suva.

The Chair asked whether there was any other business before he moved to closing the meeting.

Australia had no other business but begging the Chair's indulgence she requested summary of the decision that was made on the last item before afternoon tea. "What was the decision on Item 7 about the way forward" – she was aware of lengthy discussion but wanted to be sure she understood what was decided.

The Chair gave his general recollection that the presentation was noted; which was to be used by the CEOs and the three organisations as a basis to work on. The indicative timelines advised through the presentation were also noted. Further that the three CEOs and secretariats (at programme level) would continue to work and report back to the next SCW meeting. He acknowledged that comments and some worries were expressed on the level of "improved" service delivery, but conceded these to be part and parcel of the ongoing discourse. The Committee of the Whole would be looking at outcomes from the next trilateral meetings to provide more clarity to the set of activities/institutional arrangements that would be rationalised to where. Offered that some concerns might already be addressed such as Fiji's request for assurances that a better level of service delivery would be forthcoming under new institutional arrangements. The paper provided a roadmap, which the three CEOs would be following to progress the work from SCW02 to SCW03. Chair invited the SOPAC Director to add to that summation.

The Director of SOPAC gave her sense of the agreement, which was that the process itself was acceptable to the members; but that there was some discomfort around the terminology 'business case' and that the three CEOs would need to come up with a more palatable term to describe the 'absorption' stage of the process. Further, that in the immediate weeks that followed this meeting, there would be further CEO as well as programme trilaterals to advance the Rationalisation beyond a glance introduced at SCW01. It was hoped that institutional arrangement options would have emerged by then for this Committee to consider and that that would form the basis of the next steps, which would be the development, by SPC and SPREP of the implementation/absorption plan. She submitted that her distinct feeling was that there was nothing that was being suggested in the process on the way forward that was objected to by the members; and that generally the process that was described was acceptable. There was agreement around the fact that timeliness in progressing the initiative was key. There would be time for when the Summary Record was circulated to better articulate the outcome from Item 7, but essentially to describe the steps that would need to be taken to continue the momentum of the initiative.

Australia appreciated the clarification and asked a further question with respect to a suggestion that did receive some support from around the table, that rather than have the report(ing) exactly as represented there (on slides 3 & 4 on the presentation) that the CEOs in their meetings do make every effort to come up with one agreed approach to put to the Councils – an approach that had Australia's support.

The Chair asked the members of the Committee whether they shared that understanding; and it was noted as such without dissent.

The Director-General of SPC asked to put on his advocacy hat for the point that the Director SOPAC raised earlier about a letter the three CEOs would be sending out for some assistance in order to undertake some aspects of this process; particularly when it required resources that were beyond the level currently available within the three agencies. The CEOs' first task following the SCW02 would be to finalise that letter and send it out for help in realising certain outputs for the next meeting and beyond.

Chair said that the Committee noted the letter proposal as well.

12) Closing

Chair announced the final item, and sincerely thanked participants for their patience and contributions. He called the SCW02 a very productive meeting, despite the sensitivity of the issue that was being handled. He noted the general feeling that the group was making progress in the Rationalisation process. There had been trilateral meetings and things were coming more into focus, and there seemed to be clearer future directions – and there was confidence that through the Chair from Tonga, and the next meeting, the SCW would have a progress report ready to the Forum through the FOC, or whatever. He concluded by thanking

those who had come from overseas for coming all the way to Suva, and wished them a safe trip back home.

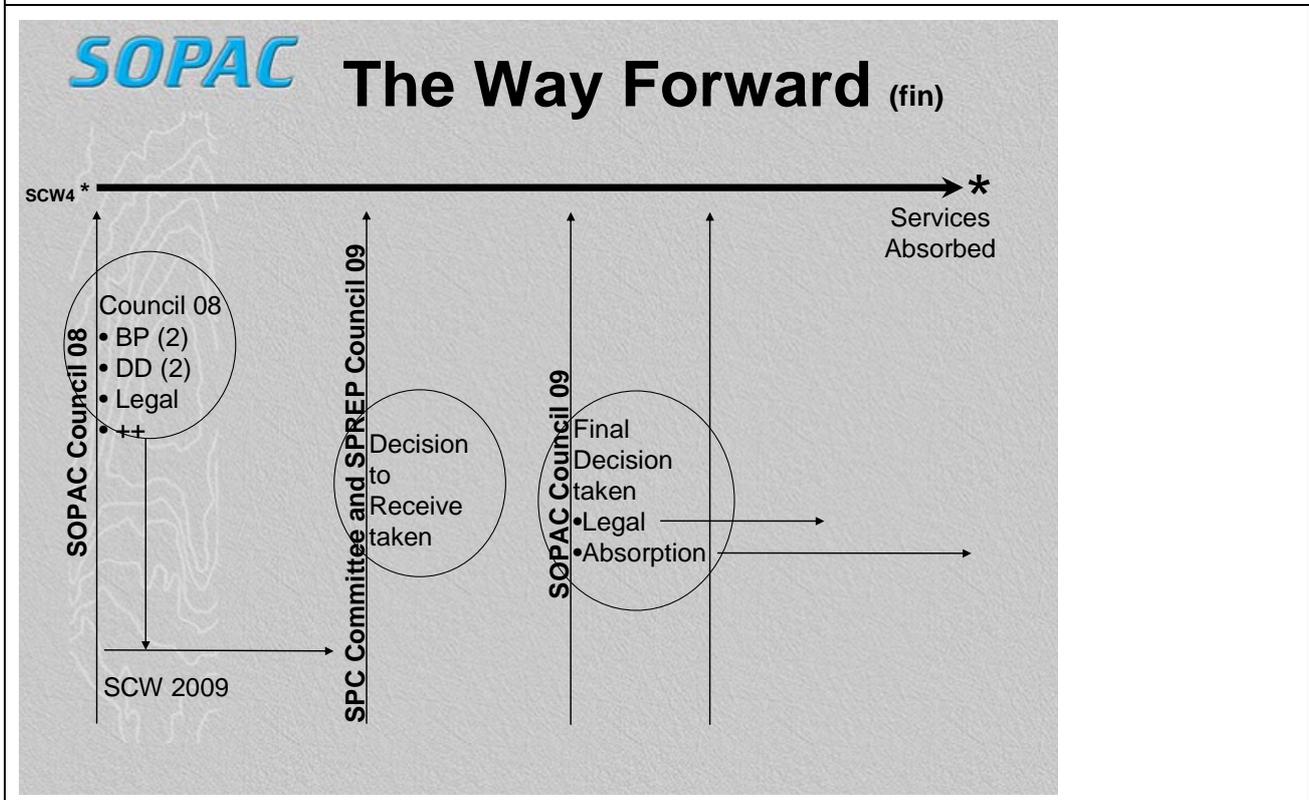
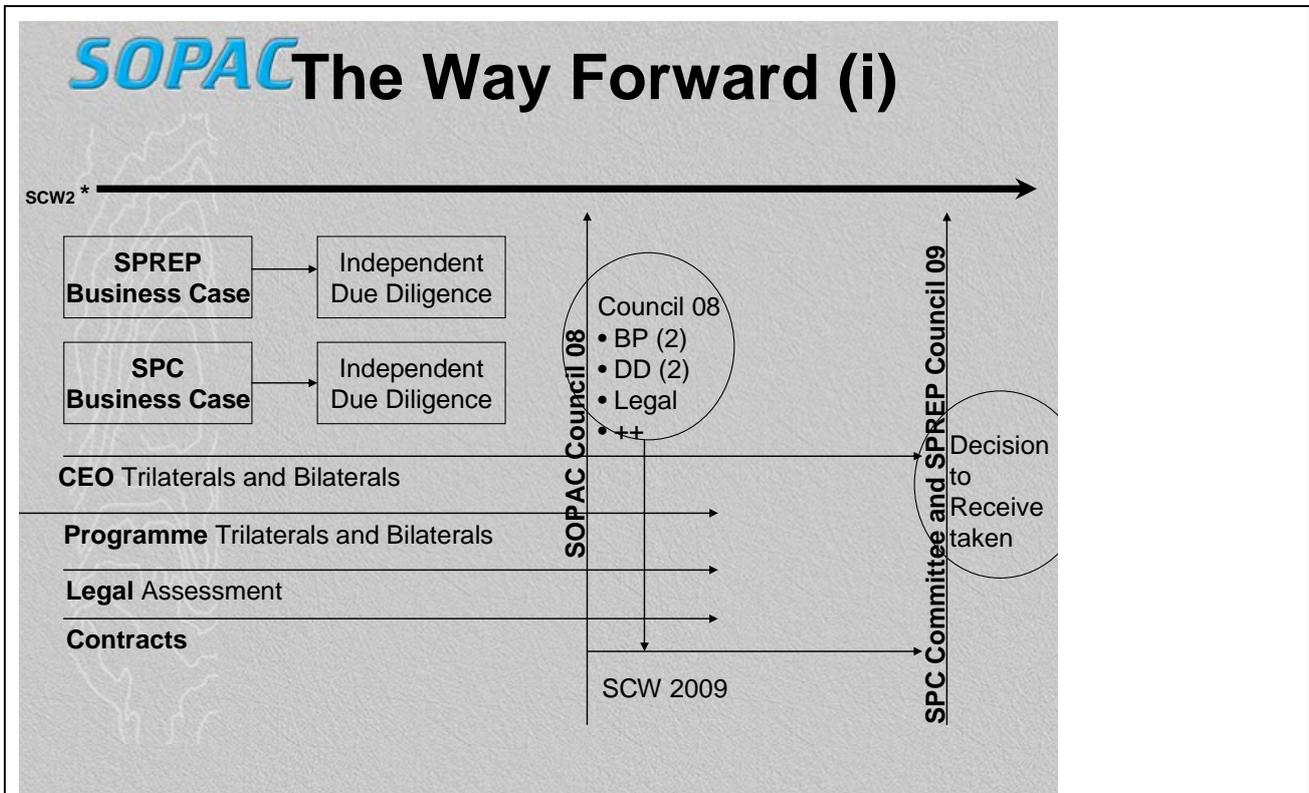
Fiji, before the Chair formally closed, asked for the approval of members and the senior Ambassador of Marshall Islands, to on their behalf thank the Chair again for leadership throughout the meeting. He also thanked the Secretariat and the Director for all of the hard work behind the scene.

The SOPAC Director also offered some closing comments. She described the second meeting as livelier than the first in terms of discussion. She recognised the observers participating in the meeting and acknowledged their effort to attend and participate. She also expressed deep appreciation to her counterparts from SPC and SPREP for the consultations had so far and in future.

The meeting ended at 4:20 pm.

ANNEX 5

Way Forward Presentation under Item 7 (Slides 3 & 4)



ANNEX 6

Acronyms Used in this Report

AusAID	Australian Agency for International Development
BCA	Benefit Cost Analysis
CEO	Chief Executive Officer
CLP	Community Lifelines Programme
CRGA	Committee of Representatives of Governments and Administrations (of the South Pacific Community)
CROP	Council of Regional Organisations of the Pacific
DRM	Disaster Risk Management
CRP	Community Risk Programme
EDF	European Development Fund
EU	European Union
FFA	Forum Fisheries Agency
FOC	Forum Officials Committee
ICT	Information and Communications Technologies
NZAID	New Zealand Agency for International Development
OIP	Oceans and Islands Programme
PICs	Pacific Island Countries
PIFS	Pacific Islands Forum Secretariat
PPAC	Pacific Plan Action Committee
RIF	Regional Institutional Framework
SCW	SOPAC Council Committee of the Whole (on the Regional Institutional Framework)
SIS	Small Island States
SOPAC	Pacific Islands Applied Geoscience Commission
SPBEA	South Pacific Board of Educational Assessment
SPC	Secretariat of the Pacific Community
SPREP	Secretariat of the Pacific Regional Environment Programme
STAR	Science, Technology and Resources Network
TOR	Terms of Reference
UNCLOS	United Nations on the Law of the Sea
UNDHA	United Nations Department of Humanitarian Affairs
UNDP	United Nations Development Programme
US	United States of America