

317. Council noted the great progress that had been made on the Pacific Village project.

### *11.8 The SPC-SOPAC Relationship: A Planning Sequence for Integration (see also Appendix 8b)*

318. The Secretariat presented paper AS28/11.8.

319. Following the opening remarks by the Director, the Chair encouraged Council to be forthcoming in reacting to the concept of integration rather than integration itself. He elaborated that perhaps the discussion and views he was seeking from Council members were to be general in nature rather than statements of national positions. The Chair then invited the Secretary General of SPC to present his views to Council on the concept of integration.

320. Council heard the Secretary-General's exposition on "an idea whose time had come". The Secretary-General pointed out that CROP was an interim solution to the desirability of integration in regionality. He highlighted the similarities in delivery of the technical programmes of both SPC and SOPAC, and the almost identical missions of service to the people of the regions. He alluded to the excellent working relationship between the two Heads and staff of the two organisations and confirmed SPC's budgetary provision for commissioning a consultancy to explore the integration concept. He also stressed that Council's reception of the integration concept would have a bearing on how SPC's CRGA in December would receive the same idea.

321. Council commended the creativity of the two Heads of SPC and SOPAC, and agreed with New Zealand's view that AS28/11.8 as presented with the Terms of Reference for the consultancy to develop a position paper on integration, was too narrow. New Zealand proposed amendments to accommodate the desire to explore various options of integration.

322. Council consensus was to explore the idea further and that the onset of the new millennium rendered it a valuable self-evaluation exercise.

323. After a free-flowing and orderly exchange of views (see Appendix 8b for more comprehensive record) Council agreed to jointly commission with SPC a consultancy to examine the concept of an SPC-SOPAC integration for consideration by Council. Council also adopted the modified recommendations as proposed by the Secretariat and the terms of reference as amended by New Zealand in AS28/11.8 supplementary (see Appendix 8b).

324. Council therefore agreed to examine the concept of integration of the two regional organisations, SPC and SOPAC, and should the SPC CRGA also agree in their

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

### *11.9 Status of MOU's with other Organisations*

325. The Secretariat introduced paper AS28/11.9 listing the number of organisations with whom MOU's had been signed.

326. Council noted the encouragement of Kiribati to actively pursue cooperation with other organisations. MOU's with FFA and the Fiji Forestry Division were to be included in the presented list to complete it.

## **12. Approval of 2000 Work Programme and Budget**

### *12.1 Reserve Fund Ceiling*

327. The Secretariat introduced paper AS28/12.1 and indicated that this paper was in response to Council's request at the last Annual Session. The Secretariat added that the question whether the level of the Reserve Fund ceiling was adequate to meet all its obligations should the Secretariat cease operations surfaced as a result of discussions between the Secretariat and the Auditors on the Management Letter. This possibility was not included in the original Paper AS28/12.1. The Secretariat proposed that the level of reserve be reviewed annually and that an amendment be made to Financial Regulation 14.

328. Samoa commended the Secretariat for taking on board Council's decisions and indicated his support for the Secretariat's proposal to retain the current ceiling of the Reserve Fund. On the proposal put forward by the Secretariat, to include an annual review in the financial regulations, Samoa commented that the review of the Reserve Fund ceiling should be an administrative matter and should not require an amendment to the Regulations. A firm decision by Council on its proceedings should suffice for the Secretariat to take appropriate action. Samoa then introduced its proposed amendment to Financial Regulation 7 to reflect Council's decision (27<sup>th</sup> Annual Session) on the matter in question. Council adopted the following amendment:

*"The Director may :*

*(a) under the General Fund Budget :*

*i) transfer anticipated savings under any sub-head to meet anticipated over-expenditure under any other sub-head of the same Head;*