

407. Australia asked Fiji about the rent-free status of the new facility for CROP agencies and reminded Council that rent-free status was one of the requirements for making such a venture economic for the agencies, which currently enjoyed rent-free status.

408. Fiji assured Council that the concerns expressed by Australia, as well as future needs of other organisations such as the UN, were being thoroughly examined and taken care of within the regular consultations of the Pacific Village Implementation Committee. Fiji also informed Council that the representatives of SPC and SOPAC in the Committee were strong in reminding Fiji of its obligations to CROP and confirmed their full awareness of these issues and concerns, which include the rent-free status of CROP agencies.

409. The Chair thanked Fiji, for the revival of the Pacific Village project and expressed the hope that the December 2003 completion date would be achieved.

10.3 SPC-SOPAC Integration Study

410. The Director introduced paper AS30/10.3 which was jointly written by the Chief Executives of SPC and SOPAC. He reminded Council that the main driver behind the integration was the greater effectiveness of working together. Council heard that they had deferred making a decision last year and instructed both Secretariats to fully document the concerns expressed and report to Council this year.

411. Therefore, the three options being placed before Council as possible ways forward are:

Option 1: Decide now to proceed with a merger of the two technical organisations

Option 2: Direct the Secretariat(s) to continue to explore and implement mechanisms other than integration that may offer similar synergies of 'close cooperation and co-ordination' with a view to re-examining the integration concept at an appropriate later stage.

Option 3: Decide now to reject the proposal to merge SPC and SOPAC altogether.

412. The Director also, strongly advised staying with the recommendation as presented in the paper before Council, as the matter had already been extensively debated for the last three years in the respective two governing Councils and the paper encapsulated the major concerns expressed by members of both Councils for a more cautionary approach.

413. Australia wanted to place on record its preference for proceeding with the merger of these

two organisations in the long term; but in the interim would go along with Option 2.

414. Cook Islands, in supporting Option 2 advised that, should the benefits that they receive from SOPAC be jeopardised in the merger, it would not support the SOPAC-SPC integration.

415. Samoa, Nauru, Fiji, Cook Islands and Marshall Islands expressed the consensus of Council to go with Option 2 as recommended in the paper. Fiji also pointed out that this decision would have a bearing on the structure and design of the Pacific Village, now that the concept was being revived.

416. SPC concluded the discussion with the observation that integration was occurring between SPC and SOPAC. It was occurring at the technical and professional level, and it was occurring at the Executive Management level. He thanked Council for confirming the concerns of the CRGA, and adopting the more cautionary approach to the integration of SOPAC and SPC.

417. Council directed the Secretariat to continue to explore and implement mechanisms other than integration that may offer similar synergies of 'close cooperation and coordination' with a view to re-examining the integration concept at an appropriate stage.

418. Council acknowledged the excellent work undertaken by Philipp Muller and Savenaca Siwatibau in conducting the integration study exercise.

419. Council also endorsed the recommendation in paper AS30/10.3 where the Secretariat would regularly report on the progress of increased collaboration between the organisations as part of the Director's annual report to Council.

10.4 SOPAC Corporate Plan

420. The Director introduced Agenda Item 10.4, advising that the Executive Management Team of the Secretariat would present to Council the following:

- Draft Corporate Plan 2002 – 2004;
- Draft Business Plan 2002;
- Proposed organisational structure; and
- Proposed project management approach.

421. The Director, presented the draft Corporate Plan to Council, reminding Council that the Plan was an instrument that sought to define the mandate, vision and strategic directions for the whole organisation, for the next three years, with a vision statement for the next ten years. He identified the