

**REGIONAL INSTITUTIONAL FRAMEWORK
REVIEW (RIF)**

**An Analysis, Assessment and Validation of the Regional
Institutional Arrangement Proposed by the CEOs of
SOPAC, SPC and SPREP**

Consultant's Final Report: Part 1

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QUOTE

“The nature and scale of current environment and development challenges and opportunities is increasingly better understood. Our challenge now is to convert that improved understanding into a coherent agenda and process for achieving reform, since doing nothing is evidently not an option and since so much energy has been expended on this subject which now needs to be converted into fruitful outcomes”.

Kamlesh Sharma, Commonwealth Secretary-General speaking at the United Nations Environment Programme (UNEP) Ministerial Plenary on Reform of International Governance, Nairobi. Thursday 19 February 2009.

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The consultants wish to acknowledge the support of the executive and staff of the three regional organisations SOPAC, SPREP and SPC, together with those representatives of key stakeholders consulted.

EXECUTIVE SUMMARY

As part of the RIF review process, a team of three independent consultants were commissioned to analyse, assess and validate the most appropriate regional institutional arrangements based on a range of options provided by the CEOs of SOPAC, SPC and SPREP. The key rationale underpinning the work was to optimise service delivery, in particular ensuring the SOPAC work programme continued without diminution and was potentially enhanced. This document presents the Final Report of Part One of the consultancy.

During the period 2nd – 20th February 2009, the consultants reviewed relevant documentation, met with staff of the three organisations and other relevant stakeholders, and submitted a draft report for the CEOs to consider. The approach focused on synergies and linkages between programmes and how integration could enhance services. From work previously undertaken and from the consultations, it is clear that there is already a degree of coordination and collaboration across the three organisations, however as noted in various reports the level of collaboration between these and other CROP organisations could be improved.

Recommendations:

1. The ICT-Outreach component be coordinated and absorbed by SPC.

The consultants validate the position of the three CEOs. This recognises SPC's role in taking forward the regional Digital Strategy as proposed in the Pacific Plan.

The ICT-Outreach work at SOPAC is small (one staff member supported by modest resources) and largely involves providing members with advice and support in regard to ICT-governance and policy. The consultants agree this work could effectively be transferred to SPC and complement its work implementing the Digital Strategy. SPC has established priorities to support members to improve access to communications technologies, reduce costs, establish higher bandwidth to the global ICT backbone, remove inappropriate regulatory environments, and strengthen ICT skills.

However the consultants recommend that the GIS and Remote Sensing functions be transferred with the SOPAC "Core" work programme to SPREP. These functions cannot stand-alone. They are key to facilitating the data gathering, interpretation and the presentation of the SOPAC work programme products related to assessments of both onshore and offshore nonliving resources, coastal processes, natural hazards, and marine benthic habitats.

2. The CROP lead organisation coordination role for the pacific energy sector and petroleum advisory services be transferred to SPC. The components of renewable energy, energy efficiency and energy conservation¹ be integrated into a new environment and resource management organisation.

The primary and quite key role of SPC will be coordination. Energy is a necessary input for all social and economic sectors. Policy and investment choices for energy, climate change, and food security etc are all intertwined. No single organisation can, or should, be seen to have an "exclusive" mandate for energy.

As noted in the Pacific Islands Energy Policy (PIEP):

¹ Noting the role of other CROP Organisations who have mandated responsibilities within the pacific energy sector

“Responding to energy issues within the context of sustainable development involves many complex, cross-sectoral and interdependent factors requiring effective coordination”.

Given the critical role of energy in economic development, and the current challenges facing the region in terms of climate change, the rising cost of fossil fuel and food security, the consultants consider the profile of the CROP “Energy Programme” needs to be raised significantly. It is not just simply providing information on pricing or the technology for alternative energy sources. The consultants consider SPC is in a position to raise the profile of the energy programme across CROP organisations and provide both a strong and collaborative coordination role. The consultants would further recommend consideration be given under the RIF for petroleum advisor services also to be transferred to SPC. The Pacific Power Association would retain the lead agency role in power.

The consultants also noted the range of stakeholders in the energy sector outside of CROP. By no means is all donor support for energy to the region funnelled through CROP agencies. Pacific Island governments and donors, for whatever reason, have elected to go to non-CROP agencies for the management of major new efforts to develop sustainable energy use.

The major issue therefore appears to be the need for **effective coordination** across not only CROP but also with other stakeholders and development partners active in the energy sector. SPC is best placed to undertake this key coordination role.

3. A re-branded regional environment and resource management organisation (potentially called the “Pacific Environment Resources Commission”) be established by integration of the ‘core’ functions and programmes of SPREP and SOPAC, while taking into account the recommendations of the SPREP Independent Corporate Review (ICR).

The consultants are of the view that this is a timely opportunity to significantly reform the regional profile for the environment and sustainable management of natural resources. This report attempts to demonstrate that the outcome will be improved service delivery to members. This reform can be accomplished jointly by the members of SPREP and SOPAC by their agreeing to: (i) an integration of the current work programme of SPREP with the “core” work programme of SOPAC, and (ii) the establishment of a re-branded regional organisation governance arrangement. This significant reform is in-keeping with the Leaders call for reform of the regional institutional framework.

The consultants are strongly of the view that this opportunity for reform cannot be optimised by simply attempting to absorb/merge/integrate SOPAC into SPREP. The reality is that SOPAC is currently more than twice the size (in terms of financial and staffing resources) of SPREP, and the recent ICR of SPREP has pointed to some critical governance and management issues that need to be addressed. It is therefore considered desirable to ‘re-brand’ or rename the revamped organisation to reflect its new status and approach to both members and stakeholders in the region.

What is most encouraging is the positive response to the need for reform from SPREP staff and management, and in fact much of content of the ICR and its recommendations are based on advice and input from SPREP staff.

SOPAC has provided much needed technical input to member countries, and to both SPC and SPREP programme areas. Sound arguments can be mounted for integration of the SOPAC programme into either organisation. However, the mandates, functions and objectives of SOPAC and SPREP are closely complementary in their focus on environment, natural resources, and sustainable development.

The consultants also took into consideration the SPREP members’ response to the 2008 ICR. The SPREP Secretariat was tasked to enhance the strategic capacity of its members to include mainstreaming environmental considerations in their development planning processes; to define the

role of the region's environmental organisation; and was directed to develop a detailed implementation plan responding to the ICR recommendations.

The maintenance of the artificial divide between 'environment' and 'sustainable management of resources' is no longer viable. Environmental issues need to ensure not only conservation and environmental protection, but also need to be mainstreamed into broader policy essential for promoting sustainable economic development.

Implementation of the proposed arrangements will require members, through joint actions of the respective governing bodies, to agree to a transition period and an implementation plan which ensures the integrity of the applied science and technical services are maintained and regional technical services are improved. A number of critical governance, financial, administrative and programming issues will of course need to be considered and resolved during the transition period and members will need to be consulted and their agreement sought. Key development partners will also need to be consulted. Some of these issues are highlighted in this Report. During Part 2 of this consultancy, these and other issues will be more substantially addressed. A draft implementation plan which will include milestones for the transition period will also be prepared.

The consultants acknowledged the strong desire given to retaining the Science Technology and Resources (STAR) Network of SOPAC. As such, high priority needs to be given to encouraging STAR to align itself with the governance arrangements of the re-branded regional organisation, notionally the Pacific Environment and Resources Commission. Furthermore, member countries should give every support to such an initiative.

1. Introduction

The Pacific Islands Forum in 2005 adopted the Pacific Plan to strengthen and deepen regional cooperation and integration. Subsequently Leaders agreed that a regional institutional framework (RIF) that is appropriate to the development of the Pacific Plan be established.

Under the RIF review process the three CEOs of SOPAC, SPC and SPREP commissioned a consultancy in early 2009 to analyse, assess and validate their proposed regional institutional arrangement to rationalise SOPAC's work programme:

- The ICT-Outreach component to be coordinated and absorbed by SPC, with the consultancy to analyse and recommend the best option.
- The Energy component to be coordinated and absorbed by SPC or SPREP, with the consultancy to analyse and recommend the best option.
- The balance of SOPAC's functions and programmes including Community Risk, Water, and especially Ocean and Islands be coordinated and absorbed by SPREP or SPC with the consultancy to analyse and recommend the best option.

The Consultancy was to be undertaken in two parts. First, recommending the most optimum institutional arrangement for the rationalisation of SOPAC services. The second part being to consider the practical implications, including financial, legal, administrative, programmatic, and any other implications of the proposed new arrangements.

For sake of brevity and the need to translate and circulate the reports prior to a joint meeting of the SOPAC/SPREP/SPC governing bodies in mid-June 2009, the Consultants and the CEOs agreed that the full TOR is not included in this report. The full TOR is available on request from the Secretariats.

The following provides the outcome of the first phase of the consultancy.

Part 1 was undertaken between 2nd – 20th February 2009, during which period consultations were held at the Apia Headquarters of SPREP, the Suva Headquarters of SOPAC, and both the Noumea Headquarters and Suva Campus of SPC. Ahead of these consultations a set of questions was given to SPREP and SPC in their capacity as potential "receiving organisations". The questions addressed issues relating to:

- Core work programmes, and in particular maintaining the integrity in applied scientific and technical services provided by the current SOPAC work programme.
- Financial security to ensure sustainable continuation of regional services.
- Corporate governance, including for SPREP the need to take into consideration the outcomes of the recent ICR.

In addition to consulting as many executive and professional staff as were available, relevant documents were reviewed including records and outcomes of the Trilateral Meetings of the three organisations held over the last year. In regard to SOPAC members, this documentation was supplemented by the work of the Subcommittee of the Council carried out in 2008. Submissions were also received from SPC and SPREP regarding potential 'ways forward' and issues to consider.

The consultants viewed the RIF review process as a significant opportunity to optimise the level of delivery of technical services across the three organisations for the benefit of members.

2. Issues

The consultants took into account the following issues in their deliberations.

2.1 Service Delivery

The outcome of the RIF review process requires a rationalisation of the current work programme delivered by SOPAC “without significant diminution”, in other words no reduction in services delivered and that the excellent science being mobilised through the SOPAC/STAR (Science Technology and Resources Network) must be retained as a highly valued resource for the region.

In reflecting on previous RIF work and reports, the consultants are of the view that it is a high priority (or concern) amongst the island members that as a result of any rationalisation, service delivery be not only maintained but if at all possible improved. The consultants were therefore strongly of the view that there should be an attempt to describe what service delivery looks like and how it can be expected to be improved as a result of the recommended rationalisation of SOPAC’s work programme contained in this report.

In addition the consultants considered a major factor was the need to address emerging and future needs of the region. In this regard a number of stakeholders raised the importance of the re-emergence of the need for management of deep sea minerals which was part of the rationale for establishing SOPAC in 1972. Furthermore, demands for assessments and advice with respect to energy, climate change and food security are increasing. Therefore reforms under the RIF need to be able to respond to these future challenges.

The consultants approach was therefore to focus on the work programmes being delivered rather than solely on the institutional arrangements. The latter are merely vehicles for delivery. In particular consideration was given to the identification of existing and potential synergies which through collaboration and complementary joint work programming would result in improved service delivery.

2.2 Environment versus Economic Development

The consultants were tasked to assess whether elements of the SOPAC programme were primarily environment or economic development. However the maintenance of the artificial divide between ‘environment’ and ‘resource use contributing to economic development’ is considered to be no longer viable. Environmental issues need to ensure not only conservation and protection, but also sustainable natural resource use, and this more holistic approach mainstreamed into broader policy essential for promoting and realising sustainable development.

SOPAC’s mandate as reflected in its work programme is founded in environmental considerations that directly or indirectly lead to economic development opportunities. As such it has synergies and linkages to both SPC and SPREP.

SOPAC has three operational programmes described in its current Strategic Plan, each with a goal and three components, as follows:

- **Ocean and Islands Programme** Goal: Improved technical knowledge of ocean and islands ecosystems for the sustainable management of natural resources. Components: (i) Resource Use Solutions; (ii) Monitoring Physical and Chemical Change in Ecosystems and (iii) Natural Resources Governance.
- **Community Lifelines Programme** Goal: Improved community access to energy, water and sanitation, and information and communication technologies for sustainable livelihoods. Components: (i) Resource Assessment, Development and Management; (ii) Asset Management; (iii) Governance and Advocacy.
- **Community Risk Programme** Goal: To improve disaster risk management practices to build safer and more resilient communities. Components: (i) Strengthening Resilience to Disasters; (ii) Mitigating the Effects of Hazards; (iii) Mainstreaming Disaster Risk Management.

SOPAC’s Strategic Plan describes 54 activities spread through the three components of its three programmes. A analysis prepared by SPREP Secretariat of the perceived linkages of SPREP’s work

programme with these 54 activities demonstrates an almost 100% “high” compatibility. There is no doubt the SPREP Secretariat sees the SOPAC programme as predominantly environmental.

The Consultants are of the view that SOPAC’s work programme is predominantly environmental, rather than economic development, within the framework of the three objectives (often referred to as pillars) of sustainable development. Economic development opportunity is an outcome of the successful delivery of the SOPAC work programme.

2.3 SPREP Independent Corporate Review

The 2008 Independent Corporate Review of SPREP raised a number of issues that the SPREP members and Secretariat need to address. Some of these related to internal management. However of particular relevance to the RIF review process was the need to redefine the core role, functions, and responsibilities of SPREP.

The RIF review process provides an opportunity to address issues raised in the ICR and meet the needs of members now and into the future.

2.4 Costs of Rationalisation

The consultants considered that in order to be both practicable and acceptable to members the rationalisation process should be cost-effective. It is therefore assumed that the existing SOPAC ‘campus’ will be retained.

2.5 CROP Harmonisation

It was noted throughout the consultations that there were significant opportunities for CROP harmonisation that would benefit service delivery. Many can be progressed within the RIF context, but should also be implemented under the agreed CROP Charter guiding principle to maximise opportunities for effective partnerships, cooperation and collaboration amongst themselves through governance initiatives, joint programming, and pooling of resources and expertise. Examples identified for potential CROP-wide collaboration include: SPC Media and Translation services; harmonisation of corporate services; elements of the SPC Human Development Programme to address cross-cutting issues; extension of dedicated satellite connectivity, video conferencing, and extension of the SPC Joint Country Strategies initiative.

3. Findings

3.1 ICT Outreach

The consultants validate the position of the three CEOs that the ICT-Outreach component of the SOPAC work programme should be coordinated and absorbed by SPC. This recognises SPC’s role in taking forward the regional Digital Strategy as proposed in the Pacific Plan.

SPC is currently in discussions with development partners to consider setting up a ‘Pacific connectivity coordinating function’ which will become the coordinating unit for the Digital Strategy. Currently SPC has one full-time staff under the digital strategy (RICS coordinator), but this will likely increase to three in by 2010.

This ICT-Outreach work at SOPAC is small (one staff member supported by modest resources) and largely involves providing members with advice and support in regard to ICT-governance and policy. With the “explosive” advancement of technology, and the spread of the digital world to the Pacific Islands region, the ICT-Outreach work has grown from the expanding dependency of the SOPAC work programme on digital data sets and the desire to share these data with the member countries.

Consequently demand from member countries to access such data has led to outreach and assistance to countries to develop their capability to obtain and manage digital data sets.

The consultants agree this work should be transferred to SPC and placed within its work programme on implementing the Digital Strategy. This Strategy has established priorities to support members to improve access to communications technologies, reduce costs, establish higher bandwidth to the global ICT backbone, remove inappropriate regulatory environments, and strengthen ICT skills.

The consultants strongly recommend that the GIS and Remote Sensing functions transfer with the SOPAC “Core” work programme to SPREP. GIS is an IT-based tool used to support mapping and all other functions within the work programme. Remote sensing functions along with mapping activities are the keystone to geoscientific evaluation, and both onshore and offshore mapping using optical (such as satellite) and acoustic (such as multibeam echo soundings) remote sensing technologies. These functions are “state-of-the-art” and underpin proper scientific assessments for nonliving resources, coastal processes, natural hazards, and marine benthic habitats. These GIS and remote sensing functions cannot stand-alone and are used to facilitate the interpretation and the presentation of the work programme products.

Recommendation 1: ICT-Outreach component be coordinated and absorbed by SPC.

Future Issues and Conditionalities: That the CEOs of SOPAC and SPC work bilaterally to ensure this transfer of ICT-Outreach work takes place as soon as practicable. The consultants consider there should be no need for any future input from this consultancy in regard to this recommendation.

3.2 Energy

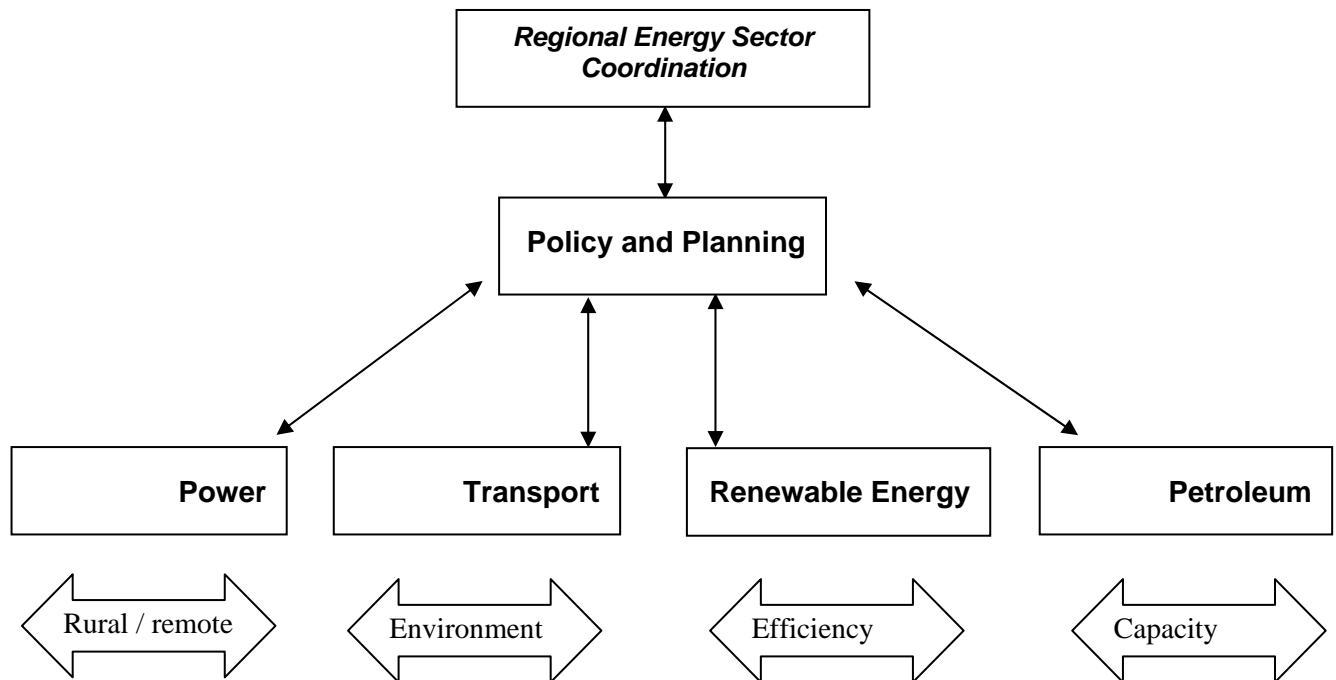
3.2.1 Energy Sector Overview

The Pacific Islands Energy Policy, PIEP, dated November 2004, and endorsed by the Leaders stated: Responding to energy issues within the context of sustainable development involves many complex, cross-sectoral and interdependent factors requiring **effective coordination**. The consultants were also aware of the deep concern expressed in regard to energy sector issues raised by the Leaders in their 2008 Forum Communique.

The PIEP is structured around ten areas with the following goals in each area that are underpinned by a series of policies:

- Regional Energy Sector Co-ordination: A co-operative approach to energy sector co-ordination that maximises the impact of regional resources and capabilities.
- Policy and Planning: Open and consultative cross-sectoral policy development and integrated planning to achieve sustainable supply and use of energy.
- Power: Reliable, safe and affordable access to efficient power for all Pacific island communities.
- Transportation: Environmentally clean, energy efficient and cost effective transportation within the region.
- Renewable Energy: An increased share of renewable energy in the region’s energy supply.
- Petroleum: Safe, reliable, and affordable supplies of petroleum products to all Pacific island countries.
- Rural Areas and Remote Islands: Available, reliable, affordable, and environmentally sound energy supplies for the social and economic development of rural areas and remote islands.

- Environment: Environmentally sustainable development of energy sources and use of energy within the region.
- Efficiency and Conservation: Optimised energy consumption in all sectors of the regional economy and society.
- Human and Institutional Capacity: Adequate human and institutional capacity to plan, manage, and develop the Pacific energy sector.



3.2.2 Current CROP Organisation Responsibilities

A number of CROP organisations have carriage of one or more of the areas outlined in the PIEP, but it is reasonable to conclude that despite its importance to the region, the energy sector has a very low profile within CROP.

SOPAC appears by default to have become the CROP lead organisation for energy. When PIFS dissolved its Energy Division in 1990, the responsibility for all PIFS energy activities, other than petroleum, shifted to SOPAC. When the SPC energy project (PREFACE) ended, the remaining PREFACE-related responsibilities went to SOPAC. SOPAC is also currently the chair of the CROP Energy Working Group. .

SPC has not had a role in energy since the closure of the PREFACE Project.

SPREP's current work programme includes what is effectively a renewable energy 'project', with confirmed funding until 2012, (PIGGAREP). The 19th SPREP Meeting of 2008 approved the inclusion of energy efficiency in its 2009-2011 work programme. However the work of SPREP in this area appears heavily reliant on donor-driven project funding rather than a clear articulation of their role in the regional energy sector or how that (undefined) role is to be achieved.

USP is responsible for aspects of capacity building and training and some research.

The Pacific Power Association (PPA) is an association of the electricity utilities, organisations, and individuals who have an interest in the operations and development of the power industry in the

Pacific. Its main objective is to create an environment of “co-operative partnership” with the private sector, funding institutions, and others with interest in the development of the power industry.

The PIFS has retained a role in petroleum advisory services, in particular through the Import Management Adviser, based in Auckland, and the Pacific Fuel Price Monitoring service. A key energy issue for the region is the heavy reliance on fossil fuel, with the cost of importing petroleum placing enormous strain on the economies of the region.

In mid-2008 SOPAC, in response to concerns regarding the energy sector programmes, commissioned a consultancy (Peter Johnson) to advise on the most appropriate and sustainable coordination and management mechanism that could be established to ensure the effective implementation of the EDF-10 energy initiatives.

The Johnson report noted that regardless of eventual arrangements proposed under the RIF review process, lead responsibility for some energy issues will remain in separate organisations.

The RIF consultants found it difficult to get a sense of what was the key strategic focus of the SOPAC Energy Programme from its documentation, reporting, or even from the consultations. The consultants generally concur with the findings of the Johnson Report.

The major issue appears to be the need for **effective coordination** across not only CROP but other stakeholders and development partners active in the energy sector. The consultants were particularly concerned at the lack of clear leadership and lack of a clear vision for the regional energy programme and the role of the CROP’s lead organisation in energy. Undertaking a collection of small energy projects, where the lessons are not being learnt, does not appear to be what the region needs from the CROPs lead organisation.

This is particularly relevant given the range of stakeholders outside of CROP. Pacific Island governments and donors, for whatever reason, have elected to go to non-CROP organisations for the management of major new efforts to develop sustainable energy use. For example the large new project “*Managing the Ecosystem and Livelihood Implications of Energy Policies in the Pacific Island States*” which forms part of a larger initiative, the Sustainable Energy Programme for the Pacific Small Island States funded by the Italian and Austrian governments is located at the IUCN Oceania Regional Office based in Suva.

3.2.3 Capacity of Organisations

The consultants are of the opinion that the regional energy initiatives within CROP organisations needs significant reform and redirection, as indicated by the SOPAC commissioned report undertaken by Peter Johnson in mid-2008. The April 2009 Energy Officials and Ministers Meetings are to consider the Johnson Report and this is seen as a timely opportunity for members to consider the role of CROP in light of the recommendation in this report as it pertains to the capacity of these organisations.

The consultants were conscious that Recommendation 3 of their Part 1 Report, if accepted, would involve a major undertaking by the management and staff of both SPREP and SOPAC. It was also noted that in the immediate and medium term both organisations will have a number of key positions in middle and senior management vacant. The integration of the organisations, while maintaining service delivery to the members, will be a major challenge.

A consideration of the RIF review process was to ensure services to members are not only maintained, but potentially enhanced.

SPC is also undergoing a restructuring process. The proposal to establish a new “Transport, Energy and Infrastructure Division” provides an opportunity for SPC to not only absorb the coordination role for the energy sector, but potentially increase the profile and encourage a more collaborative approach between stakeholders. SPC is the largest CROP organisation, with considerable resources. SPC is considered to be in a strong position to reform and redirect the CROP organisations role in delivering the PIEP for members. During the consultations it was clear that the SPC approach was genuine sector-wide coordination while encouraging CROP organisations to work collaboratively for the benefit of members. The consultants also noted the SPC Director General’s commitment to fund the position of an energy coordinator from secure core funds.

3.2.4 Conclusion

While the RIF review process seeks to promote rationalisation, and like with like, the energy sector underpins all sectors critical for economic development. Therefore no single CROP organisation can, or should, lead on all areas in the energy sector. The prime role for CROP is seen as coordination, with links to the social and economic sectors, hence the recommendation from the consultants is that the lead and coordination role should be taken up by SPC. The renewable energy and environment areas, including energy efficiency and energy conservation should be absorbed by the new environment and resource management organisation.

Recommendation 2: The CROP lead organisation coordination role for the pacific energy sector and petroleum advisory services be transferred to SPC. The components of renewable energy, energy efficiency and energy conservation² be integrated into a new environment and resource management organisation.

Future Issues and Conditionalities: That the CEOs of SPC, SOPAC and SPREP work trilaterally to ensure this transfer of regional energy responsibilities takes place as soon as practicable. There is no future role for this consultancy in regard to this recommendation.

The consultants note the opportunity the forthcoming Regional Energy Officials Meeting, REM, and the Pacific Energy Ministers Meeting, PEMM in April 2009 in Tonga present. The consultants are aware that the Energy meetings will consider the Johnson Report. The three CEOs will also have the opportunity to provide an update to the meetings on progress with the RIF review process. It would be opportune for the three CEOs to seek comment and advice from members on the energy priorities in the region, and the role of the CROP organisations.

The consultants would also recommend that the Meetings consider the merit of seeking the transfer of petroleum services from PIFS to SPC under the RIF process.

The consultants are aware that SOPAC is currently preparing briefing papers for the REM and PEMM.

3.3 Retaining the SOPAC “Core” Work Programme

During consultations the SOPAC Secretariat provided summary information in regard to the 2009 approved work plan and budget (refer table on next page). The budget is in US\$ and all funds are secured. The regular budget (RB) is comprised mainly of membership contributions, the Regular Extrabudget (RXB) or programme funding comes largely from Australia and New Zealand, and the Extrabudget resources are projects funds for a variety of donors principally the EU.

The SOPAC Strategic Plan 2005-2009 has a vision “*Natural Resources, principally non-living resources, developed in a sustainable manner and resilience of Pacific peoples strengthened*”. The

² Noting the role of other CROP Organisations who have mandated responsibilities within the pacific energy sector

core business of SOPAC is excellence in applied scientific and technical information and knowledge of earth systems, and demonstrating how this knowledge contributes to sustainable development for its island members, through integrated solutions in its three programme areas: Ocean and Islands, Community Lifelines and Community Risk.

	RB	RXB	XB	TOTAL	SUPPORT	PROFESSIONAL	TOTAL
	FUNDING	FUNDING	FUNDING	FUNDING	STAFF	STAFF	STAFF
Ocean and Islands	34,884	59,934	3,669,184	3,764,002	9	11	20
Community Lifelines	41,393	32,482	5,653,076	5,726,951	21	16	37
Community Risk	0	0	5,943,679	5,943,679	5	10	15
Corporate Services	1,279,097	0	0	1,279,097	28	6	34
Directorate	420,049	0	60,674	480,723	2	2	4
TOTALS	1,775,423	92,416	15,326,612	17,194,451	65	45	110

SOPAC Council supported by SPREP and SPC governing bodies have agreed to guiding principles for the CEOs that will avoid unnecessary fragmentation of the SOPAC work programme. These guiding principles inter alia include being cognizant of:

- *maintaining the integrity of the applied science and technical services.*
- *synergies and linkages between programmes.*

The consultants support the SOPAC Governing Council and the CEOs view that the “Core” of SOPAC’s work programme be kept together, wherever it is to be placed, as they considered that by retaining the “Core” of SOPAC’s work programme, the opportunity exists to further develop and strengthen the current approach of the SOPAC Secretariat to deliver SOPAC services through the provision of “integrated solutions”. Integrated solutions are simply an alternate way of describing synergies and linkages between programmes as well as cross cutting imperatives such as governance, knowledge management and capacity support.

The core applied environmental geoscience functions of the SOPAC work programme essentially represent the underpinning goals of SOPAC as they were described under the original charter. They are:

- Mapping, including surveying and remote sensing.
- Minerals, water (now including sanitation) and energy resources assessments.
- Coastal and ocean processes studies.
- Natural hazards studies, now including disaster management (disaster preparedness and response) and disaster risk management (national action policy and planning).

These core functions require a series of support functions and staff to assist in underpinning the research and fieldwork needed to efficiently accomplish the tasks at hand. These support functions are data storage and retrieval, library services, equipment and technical support, resource economic evaluations, GIS, IT, and corporate services.

Related activities have been included within the SOPAC “core” work programme over time because of either an expressed need and reality that no other organisation was taking the lead, or as a result of SOPAC inheriting work through decisions of other bodies including the Forum (for example energy and disaster management).

The consultants view on the ability of the “Core” SOPAC work programme to deliver services by way of an “integrated solutions” approach is best described with two examples, one each from a high island environment and a low-lying atoll environment.

- **Ridge to reef on high islands**

For a typical Pacific island, whether it be large, small, high or low lying atoll, the island environment is a geographic continuum from the highest point to the offshore reef. This total environment in its undisturbed natural state is in dynamic equilibrium. Environment change (whether it be reflected in resource use or process disturbance) in any part of the island system has potential to impact “downstream” from the ridge to the reef. SOPAC water management activities that include catchment (including groundwater) studies, interact closely with the sanitation and hygiene activities, and the coastal activities including seabed mapping, surveying and hydrodynamic modelling that demonstrate sources and distribution of pollution as a community risk. The products are integrated solutions that have direct benefit to many, including coastal fisheries managers.

- **Sources of beach sand for aggregate in atoll environments**

All material that accumulates as beach sand on atolls is derived from the coral reef environment. This may be as fragmented material directly from the coral reef or from organisms that live in the reef environment. This material is often mined from beaches or nearby reef flat for use as a “non-living resource” in roads and concrete. In reality this material begins life as a “living resource” and in some atoll environments, single organisms that make up individual sand grains may comprise as much as 80% of the beach sand. In the natural state the rate of production of beach sand from these organisms is in dynamic equilibrium with the rate of erosion and accretion on the beaches. However, these organisms when living are susceptible to changes in lagoon water quality especially through pollution, and the impacts of pollution together with removal of sand from the beaches results in the beaches being starved of material and erosion is the end effect. SOPAC activities in coastal mapping, lagoon surveying, and community risk combined with the work of STAR scientists, produce integrated solutions for use by Public Works/Utilities, Health, and the building construction industry.

3.3.1 Current and Potential Synergies between the SOPAC “Core” Work Programme and SPREP

During consultations the SPREP Secretariat provided the following summary information in regard to the 2009 approved work plan and budget. The budget is in US\$ and all funds are secured. The core budget is comprised mainly of membership contributions, and the Extrabudget resources are project funds from a variety of donors.

	Funding (US\$)			Staff Numbers		
	Core	Extra Budget	Total	Professional	Support	Total
Island Ecosystems	35,660	2,172,129	2,207,789	12	2**	14
Pacific Futures		3,212,813	3,212,813	13	2**	15
Executive Management & Corporate Services*	1,811,912	414,560	2,226,472	13	23	36
TOTAL	1,847,572	5,799,502	7,647,074	38	27	65
*Director under recruitment ** Administrative support staff funded in Corporate Services budget						

The current SPREP Action Plan 2005-2009 has a vision “*People of the Pacific Islands better able to plan, protect, manage and use their environment for sustainable development*”. It delivers its work to the members through two substantive programmes: Islands Ecosystems and Pacific Futures.

The SPREP Secretariat provided an analysis of how they considered the SOPAC work programme could be integrated with the SPREP work programme. As highlighted above in this Report, SOPAC’s

Strategic Plan describes 54 activities spread through the three components of its three programmes. SPREP Secretariat’s analysis of the perceived linkages of SPREP’s work programme with these 54 activities demonstrates an almost 100% “high” compatibility.

The complementary environmental programmes provide opportunities for synergies and linkages across almost the total work programme of each organisation. Such integration would value-add to the integrated solutions approach that SOPAC currently adopts and thus create improved delivery of services to members.

In discussions with SPREP staff several examples were given which indicated qualitatively where integration of the SOPAC and SPREP work programmes are providing opportunities to improve service delivery to members as a result of the two organisations working closely together. For each example given, these qualitative assessments were described in the SPREP submission to the consultants. Examples given included:

- Community Forest Restoration Project, Naviti Island, Fiji.
- Ecotourism and Biodiversity Resource Valuation, Kiritimati (Christmas Island), Kiribati.
- Protected Area Key Biodiversity Gap Analysis, Samoa.
- Climate Change, Coastal Governance and Conservation, Vanuatu.
- Biodiversity and Climate Change Atlas for the Pacific.
- Energy Policy and Renewable Energy.
- Coastal Development Policy and Environmental Impact Assessment, Niue.
- Noumea Convention implementation: Mining and Environmental Impact Assessment.
- Climate Change Adaptation and Water.
- Water, Sanitation and Waste.

3.3.2 Current and Potential Synergies between the SOPAC “Core” Work Programme and SPC

During consultations the SPC Secretariat provided the following summary information in regard to the 2009 approved work plan and budget. The budget is in US\$ and all funds are secured. In the past decade the SPC has more that doubled its staff numbers and quadrupled its budget.

	Budget (US\$)	Staffing
Corporate Services	5,231,950	60
Programme Management	8,581,110	52
Social Resources Division	51,825,560	121
Marine Resources Division	14,255,140	75
Land Resources Division	9,157,500	60
TOTAL	89,051,260	368

The SPC Corporate Plan 2007-2012 has a vision that *“the region is a secure and prosperous Pacific Community, whose people are educated and healthy and manage their resources in an economically, environmentally and socially sustainable way”*. SPC delivers its work to the members through three main divisions: Marine Resources, Land Resources, and Social Resources. A fourth, Health Division, is in the process of being established (by upgrading the Health Programme of the Social Resources Division), as a result of a recent governing body decision. The SPC Executive advises several other divisions are likely in the near future, and that the SOPAC “Core” work programme should it be institutionalised into SPC would become another division.

The SPC Secretariat provided an assessment of potential gains of the SOPAC work programme being incorporated into the SPC structure. The consultants noted that SPC is a large and complex organisation both in terms of sectors covered by its work programme and corporate operations. SPC operates in multiple locations across the region, and is widely considered to be a professional and well run organisation with significant resources and capacity.

Within SPCs extensive and diverse work programme the current and foreseeable synergies with the SOPAC “Core” work programme are in the Coastal and Oceanic Fisheries Programmes of the Marine Resources Division, the Agriculture and Forestry Programmes of the Land Resources Division, and the Public Health Surveillance and Communicable Diseases Control Programme in the new Health Division. SPC provided a summary in the form of the following table.

SOPAC Programmes		SPC Programmes that have synergies with SOPAC Programmes
Community Lifelines	IT	IT / Digital Strategy implementation – SPIN, RICS, OLPCs and other applications
	Energy	Bio-energy (LRD); Shipping services, infrastructure
	Water , Sanitation & Hygiene	Environmental health / Public Health; Water for Agriculture use; Watershed management in Forestry
Community Risk	Strengthening resilience to disasters	Pacific Public Health Surveillance network (PPHSN); Pacific regional Avian Influenza Preparedness; Disaster preparedness planning in Agriculture and Forestry; in planning human settlement (population & demography); Maritime Transport, Ports security, ships and sea safety
	Mitigating the effects of hazards.	Public Health, Agriculture, Forestry, Transport, Population/settlement planning, Media (RMC),
	Mainstreaming Disaster Risk Management	All sectors SPC work in
Ocean & Islands:	Resource use solutions	Scientific tools / applications such as GIS developed and used at SPC such as Population GIS
	Monitoring Physical and Chemical Change in Ecosystems.	Scientific work on Fisheries – Tuna tagging and other scientific work; coastal and reef scientific assessment, impact of climate change in fisheries and agriculture
	Natural Resource Governance	Major (living) natural resources sectors come under SPC’s purview – Agriculture, Forestry, Fisheries; maritime boundaries

In discussions with SPC staff several examples were given which indicate qualitatively where currently SOPAC and SPC work programmes are working closely and these were described in the SPC submission to the consultants. The examples given include:

- Pearl Farming at Manihiki, Cook Islands.
- Trochus Shell Farming, Tongatapu offshore lagoon, Tonga.
- Bathymetric Mapping, Aitutaki Lagoon, Cook Islands.
- Location of Fish Aggregation Devices (FADs), Pohnpei, Micronesia.
- Post-Disaster Damage Assessment following the recent (January 2009) flooding in the Western Division, Fiji.

The consultants are of the view that opportunities for synergies and linkages between the areas of the SPC work programme identified would value-add to the integrated solutions approach that SOPAC currently adopts and thus create improved delivery of services to members. However, this would not be as holistic, or whole of organisation work programme-based, as is the case with SPREP.

4. Options for Rationalisation of the SOPAC “Core” Work Programme

The consultants considered the two submissions presented by SPREP and SPC for the rationalisation of the SOPAC “Core” work programme. These were discussed with the SOPAC staff.

Option 1: A Re-Branded Regional Environment and Resource Management Organisation through integration of SOPAC and SPREP

The SPREP submission suggests the approach to rationalisation of the two organisations be seen as an integration of complementary functions and objectives, rather than absorption.

The consultants are of the view that this SOPAC – SPREP option should involve “re-branding” to ensure the intent of the integration of the two organisations is clear. The intent is to present both to members and to the global and donor partner community a new strategic focus for the region on environmental management and sustainable use of the goods and services the environment offers.

The consultants noted in particular:

- The SPREP Secretariat acknowledges the potential and significant benefits to members to be gained from bringing these two substantive environmental programmes under a single governance structure.
- The SPREP Secretariat acknowledges the environmental emphasis of the two work programmes, whilst recognising that current work programmes adopt different approaches.
- The opportunity exists to expand the provision of integrated solutions. The SPREP work programme currently focuses on policy, law and conservation activities, while the SOPAC focus is on science and technology, upon which the policies need to be based.
- The SPREP Secretariat is prepared to undergo significant restructuring of its existing work programme, through an integration of complementary functions and objectives with the SOPAC programme, in order to demonstrate and commit to ensuring improved service delivery for the members.
- The SPREP Secretariat is mindful that the current SOPAC programme is more than twice the size of SPREP’s, and this will present challenges at both the strategic work programme planning and corporate services management levels.
- The SPREP Secretariat acknowledges the potential and significant benefits to members through its environment programme having access to the well-developed GIS and Remote Sensing capability of SOPAC. This merger of programmes would be cost-effective in providing these services to SPREP, but would not compromise the capacity to maintain state-of-the-art hardware and software.
- The SPREP Secretariat acknowledges the important scientific and advisory role that SOPAC/STAR provides on a “no fee for service” basis to SOPAC Council and wishes to ensure that this service is maintained and expanded to cover aspects such as climate change, biodiversity and ecosystems studies.

In discussions with SOPAC staff, the consultants were made aware that SOPAC staff are attracted to this option of a “re-branding” of the two organisations to establish a revised regional environmental resources institution. It provides the opportunity to participate as equals in regional institutional reforms where both SOPAC and SPREP work jointly toward a common regional goal to achieve a strong, focused regional organisation that offers improved environmental and natural resources management services to its members. The consultants however do not suggest that SOPAC staff support the demise of two organisations to create a new one, but rather significant reforms that will create a new regional opportunity in respect of environment and natural resources management services.

The consultants noted SOPAC staff concerns in regard to the commitment required by the staff of the two organisations. For the integration to deliver effective outcomes, the staff of both organisations will need to undertake extensive joint work in the transition period to develop and gain agreement to a new strategic plan, organisational structure and corporate service arrangements. The structure proposed in the SPREP submission was understood by SOPAC staff to be a very preliminary draft to demonstrate the opportunities.

Option 2: SOPAC “Core” Work Programme established as a new Division of SPC

The consultants were of the view that the SOPAC “Core” work programme could be established as a new Division of SPC, given the size of SPC and its corporate ability to manage significant change and expansion. In many ways this would appear to be the most straight-forward from an administrative perspective, and SPC has recent experience in incorporation of other programmes and organisations, for example RRRT which appears to have transited quite effectively into SPC.

SPC advises that following the RIF, efforts will be taken to analyse other programme synergies that may result in re-arrangement of some SPC programmes to establish a larger scientific support service for the region through the possible amalgamation of ‘like’ scientific services between the two agencies.

In its submission to the consultants, SPC highlights its capacity to retain the SOPAC “core” work programme is a function of the following:

- Large technical agency.
- Pragmatic governing body arrangement.
- Sectoral ministerial/senior officials retain decision-making roles in programme priorities.
- Decentralised presence through increasing to five the number of fully fledged regional offices; and establishing country offices and focal point positions in member countries and territories, and through the development of centres of excellence for training.
- Decentralised decision-making.
- Priorities and work programme/interventions linked directly to national priorities.
- Pragmatic monitoring/evaluation of impacts/outcomes, which happen at different levels: the Joint Country Strategy (JCS); 3-yearly external/independent reviews; and annual outcomes reporting to CRGA.
- Decentralised programme delivery modality.
- The new Strategic Engagement, Policy and Planning Facility.
- Internal capacity to support funding or search for funding.
- Trust from development partners.

The consultants noted the efforts of the current executive to encourage collaboration across the divisions. However it is also recognised within SPC that to a large extent the divisions continue to operate independently through devolved and decentralised decision-making. Furthermore, the number of divisions seems likely to increase compared with 2008 and double from three to six or seven if SOPAC was to become a division. The concern therefore of the consultants was that the creation of a new “SOPAC Division” within SPC may not result in diminution of services, but rather the objectives of rationalisation and improved services to members would not be promoted over and above the status quo possible through the CROP Charter.

The consultants accept that a number of staff currently have good collaboration with SOPAC through established CROP practice, but did not anticipate there would be significant improvement in service delivery to members through the relocation of SOPAC’s “Core” as a Division of SPC. The consultants noted, however, that several SPC staff suggested that closer institutional proximity could result in quicker response time to requests for data or information and may strengthen existing collaboration.

SPC would welcome the continuation of STAR. SPC perceives the major difference with STAR is that its scope covers the whole SOPAC programme of work. Nonetheless there would be obvious spin off of the benefits of STAR to some of SPC’s programmes from a coverage perspective. SPC gave examples of similar arrangements as STAR but at various sectoral levels and indicated that they have worked extremely well. These examples include:

- Tuna and Billfish Steering Committee that the SPC Oceanic Fisheries programme (OFP) convened every year until two years ago – comprising of international scientists who met to

discuss and provide advice on tuna fisheries in the region. This committee is now the 'Scientific Committee' under the new Western and Central Pacific Tuna Commission (WCPTC).

- Pacific Association of Maritime Administrations.
- Pacific Health Reference Group.

As highlighted above, the consultants are of the view that opportunities for synergies and linkages between the areas of the SPC work programme identified would value-add to the integrated solutions approach that SOPAC currently adopts and thus create improved delivery of services to members. However, this would not be as holistic, or whole of organisation work programme-based, as is the case with SPREP.

The consultants concluded that the relocation of SOPAC's "Core" as a Division of SPC, whilst definitely "doable" would not meet the full intent of the RIF rationalisation process, that is significant reform and improvement of service delivery to members particularly in regard to the environment and resources management. It is therefore not the recommended option.

Recommendation 3: A re-branded regional environment and resource management organisation (potentially called the "Pacific Environment Resources Commission") be established by integration of the 'core' functions and programmes of SPREP and SOPAC, while taking into account the recommendations of the SPREP Independent Corporate Review (ICR).

Future Issues and Conditionalities

- Implementation of the proposed arrangements will require members through joint actions of the respective governing bodies to agree, first to the integration, and then to a transition period and an implementation plan. The latter should ensure the integrity of the applied science and technical services are maintained and regional technical services improved.
- A number of critical governance, financial, administrative and programming issues will need to be considered and resolved during the transition period and members will need to be consulted and their agreement sought.
- Key development partners will also need to be consulted.
- Part 2 of this consultancy, will address key future issues and conditionalities more substantially as a draft implementation plan together with milestones to define the transition period is prepared.
- In this initial (Part 1) phase of their work, the consultants determined an initial number of significant issues that could impact on the implementation of recommendation 3.

Directors and Executive Positions

The consultants noted the number of executive and senior management positions in both SOPAC and SPREP Secretariats which are currently vacant, or will become vacant within in the next year. In particular the SPREP and SOPAC Directors. Under recommendation 3 it is more than likely that the executive structure will need revision as will the job descriptions, and a strategy needs to be built-in to the transition period implementation plan to address this issue. The consultants noted that the process for the recruitment of a new "Director of SPREP" is currently underway, and due for completion in June 2009.

The consultants note that reopening the recruitment process, to call for additional expressions of interest in the revised Director position, could still allow completion of selection in June 2009.

Salary harmonisation

The consultants were concerned that in regard to professional staff remuneration, SPREP Council at its 2008 meeting agreed to defer consideration of professional staff salary increases for application 1 January 2009. In accord with the principle of harmonisation of CROP organisation staff salaries, it is important that SOPAC and SPREP professional staff remuneration be harmonised before 1 January 2010 if recommendation 3 is to be implemented. Any alternate arrangement would be certain to be detrimental to staff morale.

Donor support

To ensure continuity and surety of programme and project funding in the short to medium term, it is important that existing institutional arrangements are maintained for a transition period.

Legal Implications

Preliminary legal advice has been sought by the CEOs regarding the RIF process and possible legal implications. It is recommended that further legal advice is sought as soon as is practicable to recommend a strategy that facilitates the smoothest transition in terms of the necessary ratification of relevant treaties and agreements.

5. Summary of Recommendations, Future Issues and Conditionalities

Recommendation 1: The ICT-Outreach component be coordinated and absorbed by SPC. The ICT component that comes under the digital strategy will be absorbed by SPC. The GIS and remote sensing functions that constitute an integral part of the core scientific work of SOPAC will transfer together with the rest of the SOPAC Core work programme to SPREP.

Future Issues and Conditionalities in regard to Recommendation 1:

- That the CEOs of SOPAC and SPC work bilaterally to ensure this transfer of ICT Outreach work takes place as soon as practicable. No future role for this consultancy in regard to this recommendation is envisaged.

Recommendation 2: The CROP lead organisation coordination role for the pacific energy sector and petroleum advisory services be transferred to SPC. The components of renewable energy, energy efficiency and energy conservation³ be integrated into a new environment and resource management organisation.

Future Issues and Conditionalities in regard to Recommendation 2:

- That the CEOs of SPC, SOPAC and SPREP work trilaterally to ensure this transfer of regional energy responsibilities takes place as soon as practicable. There is no future role for this consultancy in regard to this recommendation.
- At the forthcoming Regional Energy Officials Meeting, REM, and the Pacific Energy Ministers Meeting, PEMM in April 2009 in Tonga, the three CEOs take the opportunity to not only provide an update on progress with the RIF review process, but also seek the views and input of the members regarding the potential way forward for the CROP energy sector programme. The Meetings could also consider the merit of transferring petroleum services from PIFS to SPC under the RIF process.

Recommendation 3: A re-branded regional environment and resource management organisation (potentially called the “Pacific Environment Resources Commission”) be established by integration of the ‘core’ functions and programmes of SPREP and SOPAC, while taking into account the recommendations of the SPREP Independent Corporate Review (ICR).

³ Noting the role of other CROP Organisations who have mandated responsibilities within the pacific energy sector

Future Issues and Conditionalities in regard to Recommendation 3:

- Implementation of the proposed arrangements will require members through joint actions of the respective governing bodies to agree to a transition period and an implementation plan which ensures the integrity of the applied science and technical services are maintained and regional technical services improved.
- A number of critical governance, financial, administrative and programming issues will need to be considered and resolved during the transition period and members will need to be consulted and their agreement sought.
- Key development partners will also need to be consulted.
- Part 2 of this consultancy, will address key future issues and conditionalities more substantially as a draft implementation plan together with milestones to define the transition period is prepared.
- In this initial (Part 1) phase of their work, the consultants determined an initial number of significant issues that could impact on the implementation of recommendation 3. These include: the Directors and Executive Positions; salary harmonisation; donor support, and legal implications.