South Pacific Bureau for Economic Co-operation

DIRECTOR'S ANNUAL REPORT 1973/74

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ANNUAL REPORT
DIRECTORS

Economic Co-operation
South Pacific Bureau for
DIRECTOR'S ANNUAL REPORT — 1973/74

Yours sincerely,

SPEEC Committee

Chairman,
INTRODUCTION

In several important respects the period that has elapsed since the last Forum in Apia has been a pivotal one. We have seen the completion of the first full year of SPEC's operations, the end of phase one of establishing the Bureau, and the latter on a temporary basis pending construction of the permanent headquarters complex in Suva. In its work SPEC has evolved a new and gradual approach to regional social issues of development, consistent with its mandate as laid down by the Forum, in accordance with regional priorities and the life-style of the peoples of the region.

1. The new approach has arisen for two main reasons. First, there is growing doubt about the way in which the aid resources of the international community are eventually made available to the countries of the South Pacific region. There are indications that some of the resource transfers are less useful than they could be. The fuel crisis suddenly descended upon the region, with accelerating speed, bringing about modifications in the organization. The region's activities continued as planned, and bilateral and multilateral agreements were made to ensure the continuation of resources available to the countries of the region. The fuel crisis has had its repercussions on the everyday life of the regional community.

2. The need for this new approach has arisen. For two main reasons. First, there is growing doubt about the way in which the aid resources of the international community are eventually made available to the countries of the South Pacific region. There are indications that some of the resource transfers are less useful than they could be. The fuel crisis suddenly descended upon the region, with accelerating speed, bringing about modifications in the organization. The region's activities continued as planned, and bilateral and multilateral agreements were made to ensure the continuation of resources available to the countries of the region. The fuel crisis has had its repercussions on the everyday life of the regional community.

3. During the past year the pace of economic change has accelerated with increased speed, bringing about modifications in the organization. The region's activities continued as planned, and bilateral and multilateral agreements were made to ensure the continuation of resources available to the countries of the region. The fuel crisis has had its repercussions on the everyday life of the regional community.

4. In general, the social issues of development are not within the SPEC mandate. This need not be a disadvantage at this stage of SPEC's growth. It is in the interest of the region to ensure that the benefits from aid accrue to those for whom the aid was designed. Efforts to bring about the necessary modifications in these directions are being made. Developing countries have also been developed. Efforts to bring about the necessary modifications in these directions are being made. Developing countries have also been developed. Efforts to bring about the necessary modifications in these directions are being made. Developing countries have also been developed.
5. Highlights of the period under review were:

- the completion of the first three major reports under SPEC auspices
- Future Relations with the EEC
- The Establishment of a Regional Shipping Line
- Prospects for Trade Expansion and Economic Co-operation in SPEC Island Member Countries
- the formal registration of SPEC with the UN, giving it status as an international organisation
- Cooperation in SPEC Island Member Countries
- Prospects for Trade Expansion and Economic Co-operation under SPEC auspices
- The Establishment of a Regional Shipping Line
- Future Relations with the EEC

6. The Report is set out under a number of broad headings:

**REGIONAL TRADE**

- Conclusion
- Visits
- Shipping
- Relations with other Agencies
- SPEC Committee Meetings
- Budget and Finance
- Permanent Headquarters Project
- Telecommunications
- Pacific Islands Producers' Association
- Association with the EEC
- Regional Shipping
- Regional Trade

6. While many of SPEC's activities are connected in one way or another with the objectives of regional trade expansion, there are several particular items which are most appropriately grouped under this general heading.
Following the establishment of the marketing desk it is likely that SPEC will become even more involved with trade promotion activities. At the November 1973 SPEC Committee Meeting both Australia and New Zealand offered a United Nations Mission comprising inter-regional advisers from UNCTAD and ECAFE. At SPEC's request a United Nations Mission comprising inter-regional advisers from UNCTAD and ECAFE visited the South Pacific region during August 1973. The team was joined in Suva by a representative from UNDAT. The mission was to explore avenues for trade expansion and economic co-operation in the region based on the basis of existing and potential production patterns in SPEC's Island Member Countries.

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practical assistance to SPEC in this area, in particular through the provision of technical assistance for the promotion of Island products on a regional basis. It is hoped that aid from outside sources can be obtained for this purpose. The response received from Island Governments on the proposal to produce higher price for export on a regional basis is now being scrutinized. Suitably prepared, 17,000 dlbs. has been received from Tonga for shipment of 1000 lbs. has been received from Western Samoa is now supplying regularly in this industry. Commodities has improved to be very satisfactory trade in this indigenous commodity has increased to the benefit of local supply. Since the supply of the first shipment, 1000 lbs., has moved well ahead, interest has been expressed about the possibility of imports of indigenous kava from other Island countries. In May 1973, SPEC made enquires within the region about the possibility of obtaining a better price for Island bananas in the New Zealand market. Acting on this request, SPEC has been designated as the co-ordinating agency for the project. SPEC has gathered basic data on the region for the use of the TPI. SPEC has been requested on the part of the TPI, SPEC will visit the region for six to eight weeks commencing about 1 April this year. At the request of the TPI, SPEC will visit the region for six to eight weeks commencing about 1 April this year. At the request of the TPI, SPEC has been designated as the co-ordinating agency for the project. A two-man investigating team from the Tropical Products Institute (TPI), London, to investigate the feasibility of a regional copra crushing mill and the prices it might be able to offer to producers. Advice has been received through the British Overseas Development Administration that a two-man investigating team from the Tropical Products Institute (TPI), London, to investigate the feasibility of a regional copra crushing mill. At the request of the TPI, SPEC has been designated as the co-ordinating agency for the project. Kava and Ginger

REGIONAL COPRA CRUSHING MILL

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Regional Production of this Crop.

Aid Programme.

The regional shipping line was to develop a

The report was circulated to

An Australian Government, SPBC has produced a report on the

The assistance of a shipping expert made available by the

For the Regional Production of this Crop.

For the Regional Production of this Crop.
the advice and co-operation of the Regional Representative of the International Transport Workers' Federation. The study was completed and recommendations forwarded to the Governments concerned in mid-February 1974. In May 1973, SPEC was asked by the Government of Nauru to assist in the promotion of a cargo and passenger service operated by the Nauru Pacific Line vessel, "Cenpac Rounder", which was introduced specifically to provide increased trading opportunities among Pacific Island countries. The vessel was scheduled to make regular voyages taking in Island ports from the Caroline Islands through to the Cook Islands.

Concerned with the promotion of a regular service, the Government of Nauru had requested assistance from SPEC in promoting the "Cenpac Rounder" service. This vessel was scheduled to make regular voyages taking in Island ports from the Caroline Islands through to the Cook Islands. The service was introduced specifically to provide increased trading opportunities among Pacific Island countries.

Following agreement that the three Pacific "associates"- Fiji, Tonga, and Western Samoa- should adopt the same "Cenpac Rounder" approach, the Governments of Fiji, Tonga, and Western Samoa expressed considerable interest in the vessel's operations. The Governments of Fiji, Tonga, and Western Samoa had expressed interest in the vessel's operations.

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At the inaugural meeting of the SPEC Committee in Nuku'alofa in March 1973, it was agreed that SPEC should play the role of an interested observer in the "Cenpac Rounder" exercise, gathering and supplying information on the venture as appropriate. At the meeting in Suva in November 1973, attention was drawn to problems that shippers had experienced with the "Cenpac Rounder", and the representatives from Nauru advised members of the Committee that efforts were being made to overcome these problems. The vessel was scheduled to make regular voyages taking in Island ports from the Caroline Islands through to the Cook Islands.

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On 8 and 9 January 1974 the Prime Ministers of the three Pacific “associables” met in Apia to consider the stage reached in the Brussels conference. They endorsed the value of the collective approach, but emphasised that the burden of representations at the meetings could not be justified unless definite progress was being made. It was noted that a further assessment of the situation might be made at a later stage in the Brussels conference.

In this capacity SPEC was responsible for organizing a Regional Telecommunications Meeting in Suva from 28 November to 5 December 1973. Technological support from UNESCO Regional Experts attached to the UNDP/ITU South Pacific Telecommunications Programme was provided by ITU Regional Experts attached to the Regional Telecommunications Meeting in Suva. From 28 November to 5 December 1973, a Regional Telecommunications Meeting in Suva was organized by UNESCO.

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The Deputy Director of the United Nations and other agencies became underweight by the United Nations and other agencies for work that SPEC should act as the co-ordinating agency for work in the Pacific.

PACIFIC ISLANDS PRODUCERS’ ASSOCIATION (PIPA)

Consultations were held early in 1973 on the future role of PIPA in relation to SPEC. Following an enquiry on the matter by the Fiji Department of Foreign Affairs, informal discussions were held with the late Executive Secretary of PIPA, who agreed with SPEC’s view that there were no functions included in the PIPA constitution that could not conveniently be taken over by SPEC. It was agreed that logically the functions of PIPA should be absorbed by SPEC, and that steps should be taken to accomplish this objective as soon as practicable.

At its meeting in April 1973, the Forum decided that the amalgamation of the two organisations was con-
Assistance Project and funds for the meeting were made available through the UNDP.

31. The meeting was attended by technical representatives from ten Pacific Island territories, with observers from Australia, New Zealand, France and several international organisations. The main short-term outcome of the meeting was the proposal by delegates that certain steps should be taken as soon as possible to correct what were considered basic deficiencies in telecommunications in the region.

PERMANENT HEADQUARTERS PROJECT

32. Apart from the principal work projects laid down by the Forum, the main administrative task handled by the Bureau has been the preparation of a permanent headquarters construction project. At the last Forum the Prime Minister of Fiji confirmed that SPEC would be able to obtain a Crown lease on a site overlooking Laucala Bay in Suva.

Wants of financial assistance for the project were also made in Apia by the Prime Ministers of Australia and New Zealand on behalf of their respective Governments. This enabled SPEC to commission preliminary design proposals, which were submitted along with cost estimates to the New Zealand authorities, whose offer of assistance covered the building costs. Work has just begun on the approach road. Elsewhere on the site there are to be houses of varying sizes to accommodate staff and short-term experts, all facing on to an open space and dominated by the approach road. The main part of the headquarters complex will be a conference centre linked to two office buildings, part of which SPEC operates. Work has just begun on the approaches to the building cost, which has been designed in a manner suited to the Pacific environment in which SPEC operates. The main part of the headquarters complex will be a conference centre linked to two office buildings, all facing on to an open space and dominated by the main part of the headquarters complex. The site is planned on a six acre site overlooking Laucala Bay in Suva.

BUDGET AND FINANCE

34. In accordance with Article 1X of the Agreement, the Budget for 1974 amounts to F$239,988, made up of ordinary expenditure of F$153,788 and capital expenditure of F$86,200.
representing a total increase of F$83,793 over the previous year's allocation.

Earlier in the year an official from the Australian Treasury visited Headquarters to assist with the drawing up of the Bureau's Financial Regulations, which were subsequently approved by the SPEC Committee Meeting in November. Provision was made for the operation and control of the various funds which might be established under the Regulations, including the application of any unspent moneys towards the reduction of the ensuing year's contribution by Member Governments. The SPEC financial year was also established as being from 1 January to 31 December.

SPEC COMMITTEE MEETINGS

36. The SPEC Committee Meeting in Rarotonga on 13 and 14 March 1974 will be the third meeting of the Committee. The inaugural meeting was held in Nuku'alofa from 14 to 16 March 1973, and again all Member Governments were represented by representatives of all member governments, together with the Director and other officers of the Bureau. The Director's first report was presented to that meeting, which then dealt with a number of items on SPEC's work programme and finances. A highlight of the meeting was the participation of the President of Nauru, His Excellency Hammer DeRoburt, in the discussion on regional shipping. The work programme and finances of SPEC were reviewed.

RELATIONSHIP WITH OTHER AGENCIES

37. The second meeting of the SPEC Committee took place in Suva from 21 to 23 November 1973, and again all Member Governments were represented by representatives of all member governments, together with the Director and other officers of the Bureau. The Director's first report was presented to that meeting, which then dealt with a number of items on SPEC's work programme and finances. A highlight of the meeting was the participation of the President of Nauru, His Excellency Hammer DeRoburt, in the discussion on regional shipping. The work programme and finances of SPEC were reviewed.

38. South Pacific Commission (SPC)

39. Subsequent developments in connection with the SPC have included attendance by the Deputy Director at the SPC Planning Meeting in Noumea, 2-8 May 1973, and attendance by the Director at the SPC Meeting in November, 2-8 May 1973. In March 1973 discussions were held between the two organisations relating to:

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South Pacific operation in the South Pacific. For a survey of agricultural pests and diseases in the region, SPEC and the UNDP have developed a satisfactory working relationship. Through mutual understanding, SPEC has come to appreciate its position as a representative body and the UNDP has come to appreciate SPEC’s role in the region. Despite some early procedural difficulties, the two regional organisations have developed a satisfactory working relationship. This was reflected, for example, in the drawing up of the terms of reference for the UN Mission on Trade Expansion and Economic Co-operation for the South Pacific. Through this process, the two organisations have developed a satisfactory working relationship.

42. International Telecommunication Union (ITU)

ITU, having been given the coordinating role in telecommunications for the region, has had considerable contact with SPEC Regional Experts based in Suva. Particularly in arrangements for the Regional Telecommunications Meeting held in Suva in November/December 1973, ITU was able to assist SPEC in its work on telecommunications. The following reports have been issued:

- Inter-regional Trade in Cement
- Regional Trade in Fruits and Vegetables
- A Preliminary Review of the Prospects of Inter-regional Trade
- Trade Development of South Pacific Handicrafts

41. United Nations Development Programme (UNDP)

UNDP was also associated with the UN Mission on South Pacific Handicrafts and Economic Co-operation. Trade Development of South Pacific Handicrafts and Economic Co-operation in the South Pacific Region. Reports have been issued:

- Intra-Regional Trade
- South Pacific Regional Trade
- Regional Trade in Fruits and Vegetables
- A Preliminary Review of the Prospects of Inter-regional Trade

40. United Nations Development Advisory Team (UNDAT)

UNDAT was given the coordinating role in the area of telecommunications by SPEC in November/December 1973. Since then, the UNDP has had considerable contact with SPEC, particularly in arrangements for the Regional Telecommunications Meeting held in Suva in November/December 1973. The following reports have been issued:

- SPC attendance at observer at the Regional Telecommunications Meeting held in Suva in November/December 1973
- SPC participation in the sub-regional seminar in agricultural sector
- Regional Training Seminar in Suva, 28 August, 1973
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Geneva, was also in Suv a for the meeting. Following the recommendations of the Telecommunications Meeting, it is expected that a technical expert from the ITU will be based in Suv a to assist SPEC in follow-up activities.

43. International Trade Centre (ITC) activities.

44. Considerable correspondence and a number of discussions have taken place between the ITU and SPEC on the desirability of establishing an export promotion training unit in the region. While the ITU has had considerable experience in the field of training for export promotion, SPEC is of the opinion that because similar courses are already being offered by Australia and New Zealand, it would be imprudent to establish yet another permanent training institution in the region. In the light of this situation, the SPEC Committee is seeking to recruit another Assistant Research Officer.

45. Owing to the increasing number of activities undertaken by SPEC in 1973 and in order to maintain SPEC’s accelerated pace of activity, approval was sought and obtained at the SPEC Committee Meeting held in Suv a in February 1973 for the position of Junior Economist. Approval was sought and obtained at the SPEC Committee Meeting held in Suv a in February 1973 for two additional staff positions, a second Assistant Research Officer and an Administrative Assistant. An appointment to the Assistant Research Officer position was made in January 1974. Approval was also granted for two additional staff positions, a second Assistant Research Officer and an Administrative Assistant. An appointment to the Assistant Research Officer position was made in January 1974.

46. One of the reasons for SPEC’s increased workload has been the agreement that SPEC should absorb the functions of PIPA. As there are now no staff members within the SPEC Secretariat responsible for the on-going functions of PIPA, it was agreed that the SPEC Secretariat would, in fact, be the exclusive provider of these services.

47. The Director has been able to visit all Forum countries, and the professional staff have also been able to visit consultations, or in connection with meetings and conferences, as a result of direct invitations from the countries or as a result of informal discussions at the recommendations of the Telecommunications Meeting. Following the meeting in Suv a, the Director has also been able to visit all Forum countries.
During the year there has been a considerable number of visits to the SPEC Office. These visitors have included:

- At least one or more member countries on the same basis.
- Ministers and officials of SPEC member governments
- Representatives of UN agencies and other international organisations
- Academics and students from universities in the region and elsewhere
- People simply interested in the work of SPEC and the concept of regional co-operation.

CONCLUSION

Our first Report indicated the wide range of activities in which the Bureau has become involved. Although SPEC has not actively sought to widen its sphere of activities, the fact that in advancing the cause of regional economic co-operation there is no easy formula for success, there are certain tasks that must be resolved and many important steps to be taken to achieve an overall strengthening of Pacific Island economic and social efforts in the region.

It is SPEC's role to encourage the co-operative efforts of the region in this direction.


SUA