DIRECTOR'S ANNUAL REPORT
1975/76

SOUTH PACIFIC BUREAU FOR
His Excellency Mr S.S. Ramphal, Commonwealth Secretary-General and Director of SPEC. Hon M.U. Tupouniua.
The Chairman
SPEC Committee

DIRECTOR'S ANNUAL REPORT - 1975/76

I have pleasure in submitting my Annual Report for 1975/76 to the SPEC Committee for approval and transmission to the South Pacific Forum as required under the terms of Article V of the Agreement establishing the South Pacific Bureau for Economic Co-operation.

2. In accordance with normal practice I am concurrently circulating the report to member governments.

Yours sincerely,

(M.U. Tupouniuia)
Director

SUVA
31 May, 1976
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INTRODUCTION

The period since the Nuku'alofa Forum in July 1975 has seen continued advances in the execution of the Bureau's work programme. It has also seen a widening in the range of duties in which we are involved.

2. The following are areas where significant advances have been made during the period under review:-

Transport and Communications

- The technical work of developing the regional shipping project has been completed. A recommendation from the Regional Shipping Council for the establishment of a regional shipping line will be submitted to the forthcoming July meeting of the South Pacific Forum.

- In the field of regional civil aviation, consultative machinery in the form of a Regional Civil Aviation Council and an Advisory Committee has been established. The means now exist for increased consultation and co-operation in this rather difficult and sensitive area.

- Despite some problems experienced as a result of the UNDP's financial constraints, the Regional Telecommunications Training Centre will be maintained at an operational level throughout 1976. It is hoped that final agreement will be reached shortly on a form of management suitable for this important regional project.
- The Feasibility Study for a Regional Telecommunications Network is going ahead as planned. Considerable progress has been made in the preparatory stage, including the completion and submission of a regional telecommunication proposal for financing by the European Community under the provisions of the ACP/EEC Convention of Lome.

Regional Trade and Trade Promotion

- A full time Marketing Officer is now employed by SPEC and he is actively seeking effective ways of promoting trade in the region.

- A survey of the potential for the increased use of airfreighting in commodity export trade of Island countries is well advanced.

- Consultations are continuing in respect of wider and more effective participation by Island Governments in trade fairs.

- The investigation of the feasibility of introducing bulk purchasing is well advanced. An economist, funded under the Netherlands Aid Programme, is undertaking this project.

- A draft long term agreement has been concluded for the supply of Fiji store sugar to certain Island member countries.

- The Director has been appointed a New Zealand Government nominee on the Board of New Zealand Fruit Distributors Limited.
Industry and Agriculture

- The UNDP/FAO/SPEC Survey of Agricultural Pests and Diseases in the region is continuing at a reduced operational level due to staff reductions instituted by the UNDP.

- The adviser on banana production obtained from the Commonwealth Fund for Technical Co-operation commenced duty with SPEC early in 1976. Satisfactory progress is being maintained in the implementation of the Banana Industry Revitalisation Project.

- Although the regional study on copra crushing mills was completed and circulated in 1975 SPEC has continued to provide assistance with the feasibility studies of national projects.

- Various proposals from UNIDO have been received regarding regional industrial surveys. Possible assistance from the CFTC and the EEC in this field is at the project preparation stage only.

- SPEC has increased its activities in the tourism field during the year and some requests for regional assistance are at the preparation stage.

Aid and Aid Co-ordination

- The report of the Aid Review Task Force is expected to be available in advance of the July South Pacific Forum.
- A pilot study to establish guidelines for the administration of the regional natural disaster fund is well advanced.

- The South Pacific Forum has agreed that SPEC should have a co-ordinating role in respect of regional aid provided by the European Economic Community to the Pacific Member States of the Lome Convention.

Relations with Other Organisations

- SPEC has continued to consult closely with the South Pacific Commission (SPC).

- A closer relationship has been developed with the University of the South Pacific.

- Financial cutbacks applied by the UNDP adversely affected SPEC co-ordinated regional projects.

- CFTC continued to provide assistance and support.

- ESCAP assisted the shipping project.

Research and Other Activities

- Work has commenced on the collection of statistical and technical information relating to alternative energy sources.

- The Victoria University Trade Law project directed at the harmonisation of trade law within the region is still at the preparatory stage.
- The SPEC Fellowship Scheme is still at the formulation stage.

- SPEC has continued to provide informal assistance to regional law of the sea meetings.

- Public relations activities have continued at a modest level with the main objective of keeping member governments up to date with developments in SPEC's work programme.

Secretariat Functions

- The Sixth South Pacific Forum decided that SPEC should assume full secretariat functions for the Forum and the Bureau's role as a regional secretariat has grown accordingly. In the period under review SPEC serviced 18 regional meetings.

Staff, Headquarters and Finance

- Four new professional officers joined SPEC staff during the year bringing its total permanent professional staff to ten.

- The headquarters project has encountered some construction delays but is expected to be ready for occupation within the next three months.

- The Bureau's budgeted expenditure, ordinary and capital, for 1976 is F$398,461.

Membership

- The Gilbert Islands became a financial member of SPEC during the year, bringing total membership to ten. The Solomon Islands has indicated that it will apply for full membership in 1977.
THE REGIONAL SETTING

3. From a general economic viewpoint the inflationary trends referred to in last year's Annual Report have continued. While there has been some recent improvement, copra prices continued to be depressed while at the same time import costs continued to rise. Economic conditions in Australia, New Zealand and the United States were reflected in a decline in tourist arrivals in the region, with significant loss of income in a number of Island member countries.

4. New Governments took office in both Australia and New Zealand. The Prime Ministers of both countries have reaffirmed their Governments' continuing interest in and commitment to the South Pacific. Despite the economic and financial problems facing Australia and New Zealand both countries have continued to provide development assistance for regional projects in which SPEC is involved.

5. Western Samoa had a change of government in March 1976. One of the founding member countries of the Forum, Western Samoa has supported the regional approach to overcome some of the problems confronting countries in the region. SPEC looks forward to a continuation of this valuable support.

6. The Netherlands Government continued its assistance to SPEC's work programme as did ESCAP.

7. On 16 September, 1975, Papua New Guinea attained its independence. Papua New Guinea, large in population by Pacific standards and with a wide natural resource base, is a strong supporter of the concept of regional co-operation and an active participant in regional affairs.
8. On 1 January, 1976, Tuvalu, previously the Ellice group of the Gilbert and Ellice Islands, separated from the Gilbergs. The Gilbert Islands has become a financial member of SPEC and Tuvalu has participated in a number of meetings.

9. With the Bureau's increasing activities and its widening involvement in regional affairs, particularly through its role as secretariat for the Forum and for Forum sponsored Ministerial bodies, there has been increasing interest in SPEC and its work programme.

WORK PROGRAMME

TRANSPORT AND COMMUNICATIONS

REGIONAL SHIPPING

10. The period under review has seen intensive development work on the Regional Shipping Project.

11. Mr B. de Vlaming, the Shipping Adviser provided by the Netherlands Government under the auspices of ESCAP, commenced working in May 1975. In June 1975 meetings of the Regional Shipping Council and the Regional Shipping Advisory Board endorsed the principle that the regional shipping venture should be based on the formation of an operating company which would charter suitable ships from members. The Board also laid down the guidelines for the completion of a marketing survey to serve as a basis for decision on the establishment of the proposed Regional Shipping Line. The Regional Shipping Council also endorsed in principle the development schedule prepared by Mr de Vlaming in consultation with SPEC. Planning for the marketing survey commenced immediately.
12. In July 1975 Shipping Project Officers provided by Australia (Mr R.E. Brennan), Fiji (Mr S. Bose), and Papua New Guinea (Mr R.K. Dobunaba, later replaced by Mr M.W. Tamarua) arrived to take up duty as members of the project development team. The survey was co-ordinated by Mr F.B. Hong Tiy, SPEC's Assistant Research Officer I, with advice and guidance from Mr de Vlaming.

13. By December 1975 work on the marketing survey had advanced to the extent that it was possible to provide the meeting of the Regional Shipping Advisory Board held in Lae that month with a preliminary report, including an indication of the major findings of the survey. As a result of the discussions at this meeting of the Advisory Board, the survey was revised in time to be further considered at meetings of the South Pacific Regional Shipping Council and the Advisory Board held in Auckland in the last week of April 1976. The marketing survey was accepted as providing a reasonable forecast of possible future operations on the several route structures investigated in the survey.

14. The April meeting of the Shipping Council considered in depth the report provided to it by the Advisory Board on the outcome of the marketing survey. While certain amendments were made to the Advisory Board's report it served as a basis for the Council's recommendation to the Forum that a South Pacific regional line, to be known as Pacific Forum Line, should be established.

15. The Council's recommendations will be on the Agenda for consideration at the South Pacific Forum meeting to be held in Nauru from 26-28 July, 1976. The revised marketing survey has been completed and circulated and work is proceeding on the drafting of a Constitution for the Pacific Forum Line.
16. Appreciation is recorded here for the work undertaken by Mr de Vlaming and to the Netherlands Government and ESCAP for providing his services, and also to member governments who have supported the project financially and by providing staff. In particular Australia has provided A$50,000 and a marketing survey officer, New Zealand has provided NZ$25,000. Fiji has provided rent free accommodation for seconded officers and Papua New Guinea provided the services of an officer throughout the period of the study.

CIVIL AVIATION

17. In accordance with a directive from the Sixth South Pacific Forum, SPEC convened a meeting of Civil Aviation Ministers in Nauru on 28 and 29 October, 1975, to draw up the terms of reference for the establishment of a consultative body to "explore the possibility of technical cooperation between airlines of the region, investigate rationalisation of routes, standardisation of equipment and the like".

18. The terms of reference and composition of the consultative body agreed on at that meeting were subsequently endorsed by the informal meeting of the South Pacific Forum held in Rotorua on 8-9 March, 1976. The consultative body will consist of the South Pacific Regional Civil Aviation Council, comprising Ministers or their representatives, supported by an Advisory Committee of Government Officials. The President of the Republic of Nauru, His Excellency President Hammer DeRoburt, O.B.E., M.P., was unanimously elected to the position of Interim Chairman of the proposed Council.
19. SPEC will provide secretariat services to both the Council and the Advisory Committee and will be responsible for arrangements for convening meetings of both bodies in consultation with member governments and the Chairmen of the Council and Advisory Committee.

REGIONAL TELECOMMUNICATIONS

20. The second South Pacific Regional Telecommunications Meeting, convened and serviced by SPEC with technical support from ITU Regional Experts, was held in Nuku'alofa, Tonga, from 3-9 September, 1975. The report of the meeting, SPEC (75)26, is available to all member governments. This meeting considered in detail the UNDP/ITU/SPEC Regional Telecommunications Training Project (Project RAS-74-004), the UNDP/ITU/SPEC Maritime Telecommunications Project (Project RAS-74-003), and the Feasibility Study for a Regional Telecommunications Network (Project RAS-74-005) which is also UNDP financed, ITU executed and SPEC co-ordinated. The third South Pacific Regional Telecommunications Meeting is scheduled to be held in Apia, Western Samoa from 5-9 July, 1976.

21. The Secretary-General of the ITU, His Excellency Mr M. Mili, visited Suva in early March 1976 and discussed the progress made in these projects with the Director and other SPEC staff. The Secretary-General's visit was well timed in that it coincided with advice from UNDP Regional Office that, because of the severe financial cutbacks applied by UNDP Headquarters, the future of the regional telecommunications projects was in doubt. Subsequently, with the ITU Secretary-General's support, together with the support from New Zealand and Australia, SPEC made representations direct to the newly appointed Administrator of the UNDP, Mr B. Morse. Advice has since been received
from Mr Morse that, as an exceptional measure, additional funds have been found to maintain the current level of activities until the end of 1976 on the Telecommunications Training Project and the Telecommunications Feasibility Study. The Maritime Telecommunications Project was terminated in March 1976 without extension.

Training Project

22. The Regional Training Centre officially commenced operating in April 1975 when it took over the existing Fiji Government training facilities. In June/July 1975 three instructors, financed under the Australian aid programme, took up duty with the project as did two New Zealand instructors, financed under the New Zealand aid programme. The Project Manager of the Centre is Mr B.F. Crutcher, an ITU expert.

23. New courses designed to meet broader regional needs commenced in October 1975. In addition to students from Fiji, trainees from the New Hebrides, Tonga and Western Samoa have attended courses, and two Niuean trainees are expected to attend courses at the Centre in June this year.

24. Some problems have been experienced at arriving at an agreement on the appropriate form of management for this regional project, but a significant degree of progress was made at the Rotorua informal meeting of the South Pacific Forum and proposals are now under consideration by participating governments.

Regional Network Feasibility Study Project

25. Mr G.J. Davey, the expert provided by ITU to undertake this project, attended the September Regional Tele-
communications meeting and took up full time duty on the project in Suva shortly afterwards.

26. The success of this project will have important long term implications for the development of a viable regional telecommunications network in the South Pacific region. The project expert has already made considerable headway in preparatory work. In addition he assisted in the preparation of a project proposal which has been submitted to the European Economic Community for possible financing under the ACP/EEC Convention of Lome. This project envisages a significant strengthening in telecommunications links between Fiji, Tonga and Western Samoa, the three Pacific Member States of the Convention. Work on the further development of the project is being combined with planning for the wider regional network.

Maritime Telecommunications Project

27. Mr E. Hickford, the ITU expert provided under this project, commenced duty in May 1975. During the remainder of 1975 he completed working visits to all participating countries and prepared practical reports recommending improvements in existing services. Because of the financial difficulties already referred to, the project was not extended and the expert completed his assignment with a visit to the New Hebrides in March 1976.

28. The opportunity is taken to express appreciation to Mr E. Hickford for the effort he put into the completion of his task.
REGIONAL TRADE, TRADE PROMOTION AND MARKETING

29. A Marketing Officer, Mr R.N. Morgan, has been appointed to SPEC and took up duties in mid September 1975. He has now completed familiarisation visits to all Island member countries.

30. The Marketing Officer has also visited New Caledonia, New Hebrides, American Samoa and French Polynesia to make an assessment of market prospects in these countries for produce of Island member countries.

31. Based on these visits marketing profiles have been circulated to members giving background information and highlighting immediate trade prospects in New Caledonia, American Samoa and French Polynesia. The marketing profiles have also been circulated to a number of exporters in various countries.

32. As a result of these visits the Marketing Officer has made a number of useful contacts in both government and commercial sectors in member and non-member countries. The SPEC marketing desk is now in a position to provide assistance in trade promotion and market research. General marketing advice is available to member governments, particularly for private sector exporters in member countries. Greater use could be made of these services than has been the case to date.

33. The Fiji Trade Promotion Council invited the Marketing Officer to attend two of its meetings in October 1975 and April 1976. The Marketing Officer was able to give the Council details of SPEC's activities and facilities in the trade promotion and marketing areas.
34. Member countries have been given an outline of the United States Generalized System of Preferences (GSP). Other GSP systems are being studied to determine additional trade opportunities.

35. The Marketing Officer continued contacts previously made with the International Trade Centre (ITC) and has requested copies of the Export Training Packages which ITC has had prepared. These will be examined to ascertain whether some adaptation is necessary for use in this region.

36. The New Zealand Government has offered assistance to Island member countries who are interested in mounting displays at the Auckland Trade Fair to be held in Auckland in August 1977. Island members have been requested to indicate whether or not they wish to participate and three countries to date have given an affirmative indication.

Market Surveys

37. The final report of the survey undertaken in New Zealand to determine the market potential for selected frozen tropical fruit products has been completed and circulated to members.

38. Arising from this survey, Massey University, whose Market Research Centre conducted the research, submitted a proposition "Research and Development Priorities for the Establishment of Fruit Processing Industries in the South Pacific". One member country has so far expressed interest in the project.
Air Freight Study

39. The NRB Consulting Group Limited of New Zealand were appointed to carry out the first stage of the investigation covering the New Zealand market. Two members of the Consultant's staff visited SPEC in October 1975 for discussions with SPEC officers to finalise details of the study.

40. Subsequently one of the consultants, accompanied by Assistant Research Officer IV, Mr J.M. Tallen, visited some Island member countries during February 1976. Questionnaires were circulated and have now been returned to the consultants for analysis. Preparation of a report on this phase of the study is now under way.

Regional Trade Fair Study

41. The Secretary-General of the South Pacific Commission made this study available to SPEC for study and follow-up in view of the understanding between SPC and SPEC that SPEC will be responsible for matters relating to trade. SPEC has circulated comments to members.

Bulk Purchasing

42. A Transport Economist, Mr J.H. van Juchem, was made available to SPEC under the Netherlands Government aid programme and took up duties with SPEC in November 1975. Since then he has analysed statistical information on regional imports, visited all Island member countries and has had discussions with officials and importers.

43. This information is now being collated and the report is in its final stages of preparation. The report will include aspects of equipment standardization.
Taro (Dalo) Marketing Agreement

44. This agreement, which sets out export quality standards, shipping arrangements and quantities of taro to be supplied to the New Zealand markets by signatory countries, was signed by Fiji, Tonga and Western Samoa. Whilst there have been some problems with implementation of the agreement, it has generally been accepted as a progressive step in co-operative marketing. Under the terms of the agreement a review is called for after twelve months and preparations for this are currently under way.

Regional Sugar Agreement

45. A meeting was held in Suva on 17 and 18 May, 1976, to discuss long term regional sugar arrangements. The meeting, which was convened by SPEC in terms of a decision taken by the informal meeting of South Pacific Forum held in Rotorua in March 1976, was attended by representatives of the Governments of Fiji, Gilbert Islands, Nauru, Tonga, Tuvalu and Western Samoa. Niue indicated its sugar requirement in advance of the meeting but was not able to attend.

46. The meeting adopted a draft long term sugar agreement embodying consensus on quantities, duration, export and import arrangements and price. The draft agreement is to be submitted to the respective governments for approval.

47. The meeting expressed the wish that SPEC should be responsible for co-ordinating future meetings required under the terms of the agreement.
Fruit Distributors Limited, New Zealand Board Membership

48. In November 1975 the Director was appointed as a New Zealand Government nominee on the Board of New Zealand Fruit Distributors Limited. The Directorship has provided a useful opportunity to ensure that the difficulties encountered by Island fruit and vegetable producers are known to the Company, and to keep it fully informed of the measures being undertaken to revitalise the banana industry in the Islands.

TRADE IN SPECIFIC COMMODITIES

Kava

49. Intra-regional trade in this commodity has proved very successful, and market possibilities outside the region are under active development.

50. Buyers in the trade are meeting all transportation and packaging costs and negotiations are under way for them to meet the premium on a proposed Kava crop insurance scheme.

51. The trade has become a lucrative cash source for villagers in exporting countries, and has also created a guaranteed source of air cargo revenue for Air Pacific Limited, with weekly cargo capacity devoted to Kava shipments exceeding 10,000 lbs.

Ginger

52. As a follow-on to the Australian Government’s agreement to assist in the production of this crop under bilateral assistance, SPEC located potential markets for this commodity and subsequently advised Island member countries accordingly.
53. The processed form of ginger was recommended, with particular emphasis being placed on the use of Island produced containers, such as glazed stoneware jars and woven basket containers, for packaging.

Manioc

54. Promotion of this crop for regional processing and marketing was proposed during the year with special emphasis placed on processed forms, i.e., chips, pellets and starch.

55. In addition, Island member countries were advised of relevant processing machinery most suitable for village level production of these marketable forms of the commodity.

AGRICULTURE AND INDUSTRY

SURVEY OF AGRICULTURAL PLANT PESTS AND DISEASES

56. In the period May 1975 until early 1976 the survey work for this SPEC co-ordinated UNDP/FAO project proceeded well. The Project Co-ordinating Committee Meeting and a UNDP Tripartite Review of the project were held in Suva in early December 1975. At both meetings the progress made was the subject of favourable comment.

57. By early 1976, with the appointment of a project nematologist and a project plant pathologist, the staffing for the project had been brought to full strength and the way seemed clear for faster progress. However, as part of the financial cutbacks applied by the UNDP from February/March 1976 the services of the newly appointed nematologist and plant pathologist were terminated.
In addition, advice was received that the services of the project plant entomologist were to be terminated as from the beginning of May 1976.

58. In an effort to obtain sufficient finance to keep this important project at an effective operational level, approaches were made to the CFTC and bilateral donors. At the time of writing this report favourable indications had been received from CFTC and the Overseas Development Ministry that they would co-operate in providing finance for all of 1976 for the project nematologist.

59. In addition, the New Zealand Government has under consideration a request to finance from aid funds certain consultancy services to be provided by the New Zealand Department of Scientific and Industrial Research.

60. Acknowledgement is made of the efforts made by the FAO Project Manager, Dr G. Stride and his staff to minimise the disruption to the project's programme during this difficult period.

BANANA INDUSTRY REVITALISATION

61. In May 1975 SPEC convened a regional meeting in Apia to review the present state of the banana industry and to discuss proposals for a revitalisation strategy. The meeting accepted proposals put forward by SPEC, the basis of which was the development of more commercially viable banana holdings, and a change in packing and handling from the present single finger pack in wooden cases, to the more widely adopted cluster pack using cardboard containers. The meeting also discussed proposals put forward by the New Zealand Government for a new price formula for Island
bananas. This new formula consists of a basic price for all fruit from the Islands plus a bonus payment for fruit which come up to certain specified quality requirements.

62. In January 1976 Mr L.A. Walker, an adviser on banana production from Jamaica provided by CFTC, commenced duty as SPEC Headquarters. Mr Walker's terms of reference cover primarily those aspects of the revitalisation strategy relating to improving production. He has completed a round of visits to banana producing member countries and to New Zealand and has already suggested various measures designed to increase production and disease control.

63. From Mr Walker's initial findings, it has become clear that he will be required for longer than the nine months originally envisaged. A request has therefore been sent to CFTC for an extension of Mr Walker's contract by a further nine months. He also made recommendations to SPEC concerning the fields to be covered by a second adviser, also to be financed by CFTC, who will advise and assist the industry when changing from the present method of handling and packaging to the use of cardboard containers.

64. Inadequate and unevenly scheduled shipping remains a significant problem for the Pacific Islands banana industry. New Zealand Fruit Distributors Limited has been asked to arrange a meeting of shipowners to coordinate and improve services for banana shipments.

REGIONAL COPRA CRUSHING

65. As was reported last year, the Tropical Products Institute (TPI) study examining the feasibility of
establishing a regional copra crushing mill recommended that a series of national mills should be established in preference to a single regional mill.

66. SPEC has subsequently urged individual countries in the region to consider the establishment of national mills. In September at the request of UNDP, SPEC examined and commented upon two UNDP sponsored studies considering the feasibility of establishing crushing mills in Tonga and Western Samoa. A close liaison has been maintained with both countries regarding their plans in this industry.

INDUSTRIAL DEVELOPMENT

67. During the period under review increasing attention was given by SPEC to the issue of regional industrialisation. A number of queries were received from governments and private sector companies regarding possible establishment of new industries in the region. The Bureau was consulted by the Government of New Zealand in the development of that Government's proposed Pacific Island industrial development scheme.

68. During the year various proposals from UNIDO were received regarding possible regional industrial surveys but difficulties encountered in establishing suitable terms of reference, together with the current UNDP financial constraints, make it unlikely that the proposed UNIDO survey will proceed in the foreseeable future.

69. Among the regional projects submitted to the EEC by SPEC (see paragraph 87) on behalf of the three Pacific Member States of the Lome Convention, was a proposal for
a regional industrialisation project aimed at making available more development, managerial consultancy and marketing expertise to new and existing industries in the region.

70. The Commonwealth Secretariat has consulted SPEC on a proposed project under which it is planned to appoint a team of industrial specialists to help formulate specific measures for Commonwealth Governments and industries to consider, with the objective of accelerating industrial growth in developing countries. SPEC is at present consulting Island member governments about this proposal which envisages SPEC acting as a collection point for data for the Pacific region and also assisting in convening a meeting of representatives from Pacific countries for detailed discussions with the CFTC specialist team.

FOREIGN INVESTMENT SEMINAR

71. SPEC and CFTC co-sponsored a week long regional seminar on Foreign Investment during March 1976 in Port Moresby. The Seminar was hosted by the Papua New Guinea Government. Most SPEC member countries were represented at the seminar, the aim of which was to bring together a group of experienced government officials from the region to exchange practical views on problems and solutions associated with foreign investment problems in the Pacific area. SPEC was represented by the Deputy Director, Mr R.G. Irwin, and Assistant Research Officer IV, Mr J.M. Tallen.

TOURISM

72. With the increasing attention being given to regional approaches to tourism, SPEC has increased its activities in
this area. Preliminary project outlines have been prepared relating to regional tourism promotion, regional market research and, a regional tourism social cost/benefit analysis. These have been submitted to potential aid sources for consideration. In continuing recognition of the need for co-operation and co-ordination with tourism-related bodies in the region, SPEC attended meetings of the PIDC Tourism Council (PITDC) in Suva (October 1975) and Apia (February 1976). SPEC was also represented at the Fiji Tourism Convention in April 1976.

73. During the year UNDP consulted with SPEC regarding proposals for a Regional Tourism Expansion Programme.

AID AND AID CO-ORDINATION

AID REVIEW TASK FORCE

74. Reference was made in last year's Annual Report to the preliminary work being undertaken to establish a Task Force, drawing on expertise throughout the region, to investigate and make recommendations on the effectiveness of bilateral and multilateral aid programmes in the region.

75. The composition of the Task Force was finalised in February 1976. Members of the Task Force are:

   His Lordship Bishop P. Finau of Tonga, who was subsequently appointed as Chairman by other members of the group;

   Mr Charles Craw, New Zealand Ministry of Foreign Affairs;

   Professor Ron G. Crocombe of the University of the South Pacific;
Mr A.V. Hughes, Financial Secretary of the Solomon Islands;
His Excellency Mr Leo Morgan, High Commissioner for Papua New Guinea in New Zealand;
Mr Mosee Qionibaravi, Managing Director of Naviti Investments Limited in Fiji and Deputy Speaker of the Fiji House of Representatives; and
Mr R.G. Spratt, Australian Development Assistance Agency.

76. All appointees are serving on the Task Force in their personal capacities.

77. The Task Force commenced work with the convening in Suva of an Aid Review Seminar in early March, with participants from a large number of regional recipient countries, and from bilateral, multilateral and non-government aid donor agencies. Since then the programme of visits by members of the Task Force to almost all member countries of SPEC has been undertaken and the drafting of the Task Force Report has commenced.

78. The Task Force anticipates that its report will be finalised by the end of June 1976 in order that it will be available to member governments in advance of the July 1976 meeting of the South Pacific Forum.

79. As noted in last year's Annual Report, finance for this project is being provided by the New Zealand Government.
REGIONAL NATURAL DISASTER RELIEF FUND

80. Following endorsement by the Sixth Forum in Nuku'alofa the Regional Natural Disaster Relief Fund was established and contributions to this fund by Island member governments have since been received. The fund currently stands at F$312,222.

81. To assist SPEC in establishing guidelines for the administration of this regional fund and also to investigate the possible establishment of insurance against natural disaster in the region, financial assistance was obtained from the Commonwealth Fund for Technical Co-operation for the commissioning of the Disaster Research Unit of the University of Bradford to undertake the necessary investigations.

82. The preliminary phase of this study was completed by Mr J. Lewis, Director of the Disaster Research Unit, in March 1976. A report is expected to be available to member governments by the end of June 1976.

EEC ASSOCIATION - REGIONAL AID CO-ORDINATION

83. Since the signing of the ACP/EEC Convention of Lome on 28 February, 1975, SPEC's involvement in Pacific relations with the European Economic Community has been concerned mainly with the regional aid provisions of the Convention.

84. In December 1975 an aid programming mission from the European Commission visited each of the Pacific Member States of the Lome Convention - Fiji, Tonga and Western Samoa - to draw up indicative national aid programmes for the period of the Convention. During
the course of its visit the mission discussed with SPEC the regional aid aspects of the Convention. Ten per cent of the total aid provided under the Lome Convention is allocated for regional projects and, in view of the expected heavy demands on regional funds by the rest of the ACP Group, it was agreed that the Pacific Member States should endeavour to draw up an indicative list of regional projects as soon as possible.

85. At the request of the Pacific Member States SPEC organised a meeting to consider regional projects for EEC financing. The meeting was held in Suva on 14-15 January, 1976, and was attended by representatives from the three Pacific Member States and from Papua New Guinea, which has applied to accede to the Lome Convention. The heads of the three regional organisations - the South Pacific Commission, the University of the South Pacific and SPEC - also participated in the meeting. A list of regional projects was drawn for submission to the governments of the Pacific Member States for approval.

86. The meeting agreed that SPEC should obtain outlines of the projects included in the proposed list. It also agreed to recommend to the South Pacific Forum that SPEC should be given a continuing role as co-ordinator and channelling agency with respect to regional aid projects financed by the European Community. The recommendation was accepted by the Rotorua Forum in March 1976.

87. The proposed regional projects were again discussed at a meeting of officials in Suva on 19 February and the agreed list submitted to the Heads of Government of the three Pacific Member States during the course of the
Rotorua Forum. Following approval by the Heads of Government the list of regional projects and supporting documents were forwarded by SPEC to the European Commission on 30 March, 1976.

88. In addition to the visit by the Aid Programming Mission referred to above, the Head of the Commission's Specialised Service for Aid Evaluation and the Head of the Stabex Division both called at SPEC headquarters in the course of visits to the region during the period under review.

AID ADVISORY SERVICE

89. In last year's Annual Report reference was made to the "Directory of Aid Agencies" published by SPEC in March 1975. This Directory has proved useful and has been the subject of favourable comment on the part of Island member governments. It has now been given a wider distribution. During the period under review information was collected with a view to producing a revised version of the Directory at a later date.

RELATIONS WITH OTHER INTERNATIONAL AGENCIES

90. The broadening in the number of organisations with which SPEC has established working contacts evidenced in last year's Annual Report has continued. Apart from direct project involvement with FAO, ITU, UNDP, discussions were held with representatives of an increasing number of other international organisations throughout the past year. The Aid Directory (paragraph 89) and the Aid Review Seminar (paragraph 77) contributed to widening contacts with potential donor organisations.
South Pacific Commission (SPC)

91. The Director had discussions with the then Secretary-General of the Commission in July 1975 regarding working relations between the two organisations. This meeting was part of a regular series which have taken place each year since SPEC was established, with special emphasis on eliminating possible duplication of activities between the two organisations. The Director attended the first week of the Fifteenth South Pacific Conference held in Nauru in September 1975. In December 1975 discussions were held between the Director and the present Secretary-General of the Commission, Dr E. Macu Salato.

92. In January and February 1976 the Independent Commission appointed to review the functions and role of the South Pacific Commission, had discussions with the Director, Deputy Director and other SPEC officers.

93. At the working level, there has been continued co-operation between the two organisations. SPEC was represented at the SPC's regional meeting on root crop production held in Suva in December 1975 and the Assistant Research Officer II, Mr F. Toleafoa, contributed a paper at that meeting. The Marketing Officer, Mr R.N. Morgan, visited the Commission's Headquarters in Noumea in November 1975 for informal discussions and the SPC Tropical Agriculturalist, M.M. Lambert, has actively co-operated with SPEC on matters of common interest, especially in relation to fruit and vegetable packaging.

94. The Secretary-General of the SPC attended the
meeting convened by SPEC on 14-15 January to discuss regional projects for possible financing by the European Economic Community under the provisions of the ACP/EEC Convention of Lome. The SPC later contributed a project outline for incorporation in the regional submission to the EEC.

95. The SPC's Plant Protection Officer, Mr Ivor Firman, continued to serve on the Co-ordinating Committee of the SPEC/UNDP/FAO Regional Pests and Diseases survey, thus ensuring that there is no duplication of work between the two organisations in this area. The SPC's Economist, Dr I. Fairbairn participated in the CFTC/SPEC Foreign Investment Seminar held in Port Moresby in March 1976.

96. Mr Sione Kite, Programme Administration Officer for the SPC, attended an Aid Review Seminar in Suva on 2-4 March, 1976. The seminar was serviced by SPEC on behalf of the Aid Review Task Force referred to in paragraphs 74-79.

97. The SPC is keeping SPEC fully informed of the progress being made in its examination of the proposal to establish a Pacific Law Centre

University of the South Pacific (USP)

98. A closer working relationship with the University has evolved over recent months. The Vice-Chancellor of the University, Dr James Maraj attended the January 1976 meeting convened by SPEC to discuss possible regional projects for financing by the European Economic Community and subsequently the University contributed significantly to the agreed regional projects submission to the EEC.
The University also participated in the Aid Review Seminar conducted by the Aid Review Task Force in March 1976. Members of SPEC staff contributed to the University's "Pacific Week" held in May 1976. Professor Ron Crocombe, Professor of Pacific Studies at the University, is serving on the SPEC Aid Review Task Force.

99. SPEC has been represented on the University's Extension Services Committee since May 1975. The University has also assisted SPEC by making available its conference facilities for a number of SPEC serviced meetings.

100. The informal meeting of the South Pacific Forum held in Rotorua in March 1976 requested that in future the Vice-Chancellor should submit his reports to Forum Governments through SPEC.

101. Finally, appreciation should be recorded to the University for continuing to make office accommodation available to the Bureau, despite the unforeseen delays in the completion of the new SPEC Headquarters office buildings.

United Nations Development Programme (UNDP)

102. During the period under review close contact was maintained with the Regional Representative of the UNDP. On a number of occasions SPEC was asked to comment on possible new regional projects for UNDP financing but the major development of concern to SPEC was the impact on regional projects of the financial cutbacks applied by the UNDP in early 1976 in response to the serious deterioration in its overall financial position.
103. As reported elsewhere in this report, the UNDP reductions and/or deferments fell heavily on the SPEC co-ordinated regional pests and diseases survey and also appeared likely to result in the termination of the two major regional telecommunications projects. At the time of writing this report, with assurance received from the UNDP Administrator that the telecommunications projects would be maintained at their current level during 1976, and the prospect of additional funding being made available by other donors to the regional pests and diseases survey, the outlook appeared much more favourable.

104. Dr H.M. Schmid completed his term of office as Regional Representative in March 1976. Appreciation is recorded here for his general assistance and for the efforts made by Dr Schmid prior to his departure to minimise the impact of the UNDP financial constraints on South Pacific regional projects.

Economic and Social Commission for Asia and the Pacific (ESCAP)

105. ESCAP played an important part in the development of SPEC's work programme during the year. There has been continuing close contact between the two organisations.

106. The Executive Secretary of ESCAP, His Excellency Mr J.B.P. Maramis visited the South Pacific region during May 1975. In the course of his visit he called at SPEC headquarters for discussions concerning ESCAP's priority programme for developing Island countries in the Pacific.

107. ESCAP has continued to consult SPEC on the development of the priority programme, and this consultation has
included discussions with visiting ESCAP Missions undertaking specific projects.

108. SPEC has received valuable assistance from ESCAP in the development of the Regional Shipping Project. In May 1975 a Netherlands Government Shipping Adviser, Mr B. de Vlaming was provided to SPEC under the auspices of ESCAP to provide guidance and advice in the development of the Regional Shipping proposal. (See paragraph 11).

109. SPEC's Assistant Research Officer I, Mr F.B. Hong Tiy and the shipping project officers seconded to SPEC by the Governments of Fiji and Papua New Guinea attended an ESCAP Shippers' Co-operation Workshop held in Rarotonga from 18 February to 2 March, 1976.

110. The Director attended the 32nd Session of ESCAP which was held in Bangkok from 24 March to 2 April, 1976, under the chairmanship of the President of the Republic of Nauru, His Excellency President Hammer DeRoburt, O.B.E., M.P. In a statement made at the ESCAP Session the Director emphasised the need for ESCAP to further extend its commitment to the Pacific in concrete practical terms as well as in name.

Commonwealth Secretariat and Commonwealth Fund for Technical Co-operation (CFTC)

111. A visit by His Excellency Mr S.S. Ramphal, the newly appointed Commonwealth Secretary-General, accompanied by Mr A. Tasker, the Managing Director of CFTC, to SPEC headquarters in September 1975 laid the basis for increasing co-operation between the Bureau and the Commonwealth Secretariat. Mr B.D. Jayal, Director of the
Export Market Division of CFTC, and Mr A.B. Pusar, Director of the General Technical Assistance Division of CFTC, visited SPEC headquarters for specific discussions on possible areas of assistance in February 1976. As a result of their visits a detailed submission has been sent to the CFTC outlining fields in which that organisation might assist the Bureau's work programme.

112. As noted in paragraph 81 CFTC is financing the investigation by the Disaster Research Unit of the University of Bradford of guidelines in the administration of the regional Natural Disaster Relief Fund.

113. Mr L.A. Walker, the expert on banana production from Jamaica, provided to SPEC by CFTC, commenced duty with SPEC in Suva on 31 January, 1976.

114. SPEC's Research Officer, Mr B.R. Davidson, attended a CFTC/ESCAP Seminar on the Multilateral Trade Negotiations, held in Hong Kong in February 1976. Mr Davidson's attendance at the Seminar was financed by CFTC. As already noted (paragraph 71) SPEC co-sponsored with CFTC a seminar on foreign investment held in Port Moresby in March 1976. The seminar was well attended by Island member countries.

115. In paragraph 70 reference is made to the Commonwealth Secretariat's proposal to appoint a team of industrial specialists to examine prospects for industrial development in developing countries in the region.

116. At the time of writing this report arrangements were in hand for the Director, accompanied by the Deputy Director, to attend a meeting of Commonwealth Regional
Organisations convened by the Secretary-General of the Commonwealth in London in late June 1976.

United Nations Development Advisory Team (UNDAT)

117. In response to a directive from the Rotorua Forum in March 1976 SPEC conveyed a resolution to the Secretary-General of the United Nations on behalf of the Forum recording the concern of member governments at the decision taken earlier in 1976 to phase out UNDAT at the end of April 1976 because of lack of funds. The Forum discussion had emphasised the important contribution which UNDAT had made to the development efforts of South Pacific countries. Later in March advice was received that the UNDP had decided to retain UNDAT on an operational basis for 1976, pending the provision of funding from bilateral donors.

118. Liaison has been maintained with UNDAT and reports and information have been exchanged continuously.

Asian Development Bank (ADB)

119. During the year SPEC has maintained contact with the ADB and representatives of the bank have participated in regional meetings organised by SPEC.

120. A Senior Operations Officer from the ADB attended the South Pacific Regional Telecommunications Meeting in Tonga in September 1975. The bank was also represented at a senior level at the Aid Review Task Force Seminar organised by SPEC in Suva on 4 March, 1976. A Deputy Director of the Operations Department and a Senior Operations Officer participated in the seminar. Prior to the seminar, SPEC's Research Officer had the opportunity
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of meeting the ADB's Director, Operations Department, for a discussion on the seminar and other matters of mutual interest to the two organisations.

World Bank (IBRD)

121. The Bank provided information on its activities in the region for use by the Aid Review Task Force. Four representatives of the Bank visited SPEC headquarters for discussions in May 1976.

International Centre for Living Aquatic Resources Management (ICLARM)

122. The Director of ICLARM called at SPEC headquarters in June 1975 to discuss the Rockefeller Foundation proposals for establishing the centre. A representative of the organisation also visited Suva in October to discuss the possible development of "a centre of educational excellence for the aquatic sciences" in the South Pacific. No advice has been received to date as to the organisation's final decision on this project.

Other Organisations

123. In addition to the organisations mentioned, SPEC has been in contact with the United Nations Environmental Programme (UNEP) regarding information on alternative energy sources.

124. A representative of the United Nations Habitat and Human Settlements Foundation (HABITAT) visited SPEC headquarters in November 1975 to introduce the Foundation.

125. SPEC also received visits during the year from representatives from the East West Centre, the Foundation
for the People of the South Pacific (FSP), the World Meteorological Organisation (WMO), the United Nations Industrial Development Organisation (UNIDO), the United Nations Educational Scientific and Cultural Organisation (UNESCO) and the World Food Programme (WFP).

RELATIONS WITH GOVERNMENTS OUTSIDE THE REGION

126. The constructive assistance provided by the Netherlands Government continued throughout the year, with one expert being provided to SPEC on the basis of direct Netherlands Government funding and another through the auspices of ESCAP.

127. The Government of India has provided SPEC with details of possible areas in which it would be willing to assist Island member governments. SPEC has circulated this information to member countries and sought further information from the Indian Government.

128. Discussions have been held with a representative of the Canadian High Commission, Canberra, on possible areas of assistance. The British Aid Programme has under consideration a request for assistance to the regional pests and diseases survey.

129. The publication and circulation of the Aid Directory has increased the Bureau's contacts with overseas countries who are possible aid donors to the region.

RELATIONS WITH NON-MEMBER PACIFIC GOVERNMENTS

130. The Marketing Officer, as earlier noted, visited French Polynesia in January 1976. The authorities
assisted in arranging a programme for him and a number of potentially useful contacts were made. He also visited the New Hebrides and was similarly assisted by the authorities. The New Hebrides continued to participate in the Regional Telecommunications Training Centre.

131. The Federated States of Micronesia participated in the January 1976 Law of the Sea meeting (see paragraph 138) and arrangements were made for the distribution of SPEC reports, etc., to the French Territories and American Pacific Territories via the auspices of the South Pacific Commission.

RESEARCH AND OTHER ACTIVITIES

ENERGY

132. In response to a directive from the SPEC Committee delivered at the June 1975 Nuku'alofa meeting SPEC has begun to play a clearinghouse role in regional energy matters.

133. Short surveys for internal use have been conducted into energy supply and consumption, electricity tariffs and the use of alternative energy sources amongst Island member countries. Also a considerable store of information has been gathered regarding worldwide exploitation of alternative energy sources.

VICTORIA UNIVERSITY TRADE LAW PROJECT

134. This project directed at the possible harmonisation of trade law within the region is still at the preparatory stage.
SPEC FELLOWSHIP SCHEME

135. Of the seven countries who have so far commented on the scheme, all except one have agreed in principle to the scheme but with some qualifications. One or two countries expressed inability to participate in the scheme at present, while two countries favoured making fellowships available to both the public and private sectors. Problems of accommodating fellows were mentioned by almost all countries. It was also clear from the replies received that all countries would favour the entire cost of attachments for fellows being borne by external sources.

136. The problem in implementing the scheme now is one of identifying appropriate areas in which fellows might be usefully trained under the scheme. Investigations along these lines are continuing.

LAW OF THE SEA - OCEANIA GROUP MEETINGS

137. Last year's Annual Report noted that in response to a request from the Government of Western Samoa, a meeting was held in Suva on 30-31 May, 1974, under the auspices of SPEC to discuss Law of the Sea questions prior to the United Nations Caracas Law of the Sea Conference. It also noted that the Government of Papua New Guinea had convened a similar meeting in Port Moresby in March 1975, that is, immediately prior to the General Session of the United Nations Conference on the Law of the Sea. While it has no formal function, SPEC has continued to assist informally in the organisation of meetings of Forum member countries concerning Law of the Sea questions.
138. An informal meeting was held in Nuku'alofa at the end of January 1976 to discuss developments in the Law of the Sea negotiations and more specifically to consider the Single Negotiating Text prior to the current New York Law of the Sea Conference. Countries represented were Australia, Fiji, the Federated States of Micronesia, Nauru, New Zealand, Niue, Solomon Islands, Tonga and Western Samoa. SPEC was represented at the meeting by the Bureau's Assistant Research Officer III, Mr T. Pierre who also assisted in servicing the meeting.

PUBLIC RELATIONS ACTIVITIES

139. With increasing public interest in the functions and activities of SPEC, both within the region and from academic institutions outside the region, there has been a heavy demand for the background brochure on SPEC and for the Director's Annual Report. A further revised version of the background brochure was produced during the year. In addition, 300 copies of the Director's Annual Report for 1974/75 had been distributed on request.

140. The main vehicle for keeping member governments and others with a direct interest in SPEC's activities up to date with developments in the Bureau's work programme has remained that of the regular monthly publication of SPEC Activities. The distribution list for this publication now totals 200. Press coverage given to news releases from SPEC has been reasonably good within the region, but difficulty has been experienced in encouraging interest on the part of New Zealand and Australian press.
LIBRARY

141. Because of staffing difficulties, it has not been possible to keep the SPEC Bibliography up to date. It is hoped that once the Bureau has moved to its new headquarters, where there is provision for more adequate and efficient storage of books and other publications, regular quarterly accession lists can be published.

FORUM AND OTHER SECRETARIAT FUNCTIONS

142. SPEC's function as a regional secretariat has grown rapidly. The Sixth South Pacific Forum meeting held in Nuku'alofa in July 1975 decided that SPEC should assume all secretariat functions for the Forum.

143. SPEC's regional secretariat function may be considered under three main headings. The first is that of servicing the South Pacific Forum and the SPEC Committee, the second relates to servicing regional ministerial bodies created by the Forum and their subordinate technical bodies. This second group includes the South Pacific Regional Shipping Council and its Regional Shipping Advisory Board and the South Pacific Regional Civil Aviation Council and Advisory Committee. The third category of meetings serviced by SPEC includes regional technical meetings, usually convened in relation to SPEC's co-ordinating role in projects such as the UNDP/FAO Pests and Diseases Survey, the UNDP/ITU Regional Telecommunications Project and the Banana Revitalisation Project. This category also includes seminars such as that held in relation to the Aid Review Task Force in March 1976 and the seminar co-sponsored with the CFTC held in Port Moresby in the same month (see paragraph 71).
144. In the period 1 May, 1975, to 31 May, 1976, SPEC serviced 18 regional meetings. A list of these meetings is attached at Appendix I.

SPEC COMMITTEE


146. The Honourable P.D. Naqasima, then Assistant Minister in the Prime Minister's office of the Fiji Government, was elected as Chairman of the SPEC Committee at the Lae meeting. He has since been appointed Fiji's Minister of Education, Youth and Sports.

MEMBERSHIP

147. The Gilbert Islands became a financial member of SPEC during the year and the Solomon Islands indicated its intention to join in 1977. The Solomon Islands and Tuvalu participated in a number of meetings during the period under review, including the Rotorua informal meeting of the South Pacific Forum held in March 1976.

148. The full membership of SPEC at present is Australia, the Cook Islands, Fiji, Gilbert Islands, Nauru, New Zealand, Niue, Papua New Guinea, Tonga, and Western Samoa.

STAFFING

149. The Bureau's staffing has continued to increase in line with the widening and increasing work programme. As at the time of writing this report, the Bureau's
permanent staff numbered 16. This consisted of 10 professional officers and 8 administrative/clerical staff, including the Clerk of Works for the permanent headquarters building project. The policy of including a wide geographical spread in the composition of professional staffing has been maintained. At present 75 per cent of permanent staff are from Island member countries.

150. Mr J.K. Thomson left the Bureau on 5 September, 1975, to undertake post graduate studies in economics in the United Kingdom. Mr Thomson joined the staff of SPEC as a Junior Economist in February 1973 and was appointed an Acting Assistant Research Officer in October 1974.

151. Two new Assistant Research Officers joined the Bureau's professional staff in August 1975 for 3 year appointments. Mr J.M. Tallen, an economics graduate from the University of Canterbury, New Zealand, with 5 years' experience in the industrial and commercial development field with ICI New Zealand Limited, joined on 12 August, 1975.

152. Mr T. Pierre took up duty as an Assistant Research Officer on 22 August, 1975. Mr Pierre had been a member of the Cook Islands Government service since 1971 and was Director of External Affairs prior to his secondment to SPEC. He had also served as Chairman of the SPEC Committee during the year prior to his appointment to the Bureau and has considerable experience in regional affairs.

153. On 15 September, 1975, Mr R.N. Morgan joined SPEC as the Bureau's Marketing Officer. Prior to his appoint-
ment to SPEC he had been Marketing Services Manager with Glaxo Laboratories (NZ) Limited in New Zealand, with considerable experience in marketing in the South Pacific.

154. Mr E.T. Blakelock, a University of the South Pacific graduate, with degree qualifications in economics, took up the position of Junior Economist with the Bureau on 26 January, 1976.

155. Two professional staff positions are vacant: an Assistant Research Officer, applications for which are currently under consideration, and the second Junior Economist position.

156. A list of staff is attached at Appendix II.

PERMANENT HEADQUARTERS PROJECT

157. As noted in last year's Annual Report the contract for the construction of the permanent headquarters for SPEC was signed in Suva on 3 April, 1975. Construction work on the project has progressed reasonably well, although major problems have been encountered with respect to the availability of local timber and some other materials, thus delaying the completion of the project. A further problem has been that of cost escalation. At the time of writing it was anticipated that the project would be completed within the next three months.

158. Construction of the complex, which consists of two office buildings, a regional conference centre and a number of staff residences, is being funded by the New Zealand Government. The Australian Government is providing all equipment, furniture and fittings. The complex is being constructed on land provided by the Fiji Government.
159. With the completion of the project in reasonably close prospect, discussions have been held with a number of member governments on the possible provision of suitable artifacts and works of art for the project.

BUDGET AND FINANCE

160. The Bureau's budget for 1976 was examined in detail by the SPEC Committee at its budget meeting in December 1975. After certain adjustments the Committee accepted the budget and recommended that it should be submitted to the Forum for formal approval.

161. A budget total of F$398,461 was agreed for calendar year 1976, consisting of F$323,761 for ordinary expenditure and F$74,700 for capital expenditure. This represents an increase of 6.54% over its overall approved 1975 budget of F$373,998. However, member countries have to fund only F$295,664 of this sum, as part of the budget is to be financed by unexpended provision carried forward from the previous year's budget, principally representing work-in-progress in the headquarters project.

162. Actual contributions from members will be, Island members F$10,952 each, and Australia and New Zealand F$98,548 each. This is in accordance with the Canberra formula under which one-third each is paid by Australia and New Zealand with Island member countries meeting the remaining third in equal proportion.

163. The audited statements of account signed by the Auditor-General of Fiji and the SPEC 1975 Budget out-turn report will be tabled at the pre-Forum SPEC Committee Meeting in July 1976.
164. The budget for 1975 was fully funded by member governments. A voluntary contribution of F$1,910 was made by the Government of Papua New Guinea. The Government of the Gilbert Islands, in advance of membership formalities, contributed a sum of F$13,212 in respect of 1976.

165. The Governments of both Australia and New Zealand again provided additional practical support. New Zealand met travel costs for meetings and is funding the salary of the clerk of works for the headquarters project. Australia provided desks on loan for short-term experts.

CONCLUSION

166. This Fourth Report since the establishment of SPEC surveys considerable technical progress in the execution of the work programme set for the Bureau by member governments through the South Pacific Forum. The Report also evidences the growing interest in SPEC's work programme on the part of international organisations and governments from outside the region.

167. The concept of regional economic co-operation among developing countries has received increasing attention internationally, as have also the special problems of developing Island economies. In all this, the problems of the developing Island countries of the South Pacific are being given increasing attention.

168. SPEC is a relatively young organisation compared to other regional institutions, such as the Caribbean Community (CARICOM) and the East African Community (EAC),
which have been in operation for a much longer period. It appears possible, however, that the problems in the field of regional co-operation experienced elsewhere are just as much present or in prospect in the Pacific. Notwithstanding this, our region should start from a point of some advantage; we are a new-comer to regionalism in the modern sense and should benefit from the experience of longer established regional groupings.

169. As projects in the SPEC work programme move from the preparatory and formulation stage to the stages of decision and implementation, difficulties often associated with potentially uneven distribution of costs and benefits of regional projects among participating countries are being encountered. It is very difficult to find individual projects where costs and benefits are evenly spread.

170. SPEC must also necessarily operate within a climate in which member governments pursue their legitimate national goals and interests, sometimes to the disadvantage of regional co-operation and regional development. Indeed, it is understandable that Pacific Island States should give high regard to their political and economic independence.

171. But having restated these irrefutable truths there remains the question of situations in the development process in which the cause of national development is better served, not by an independent isolated approach but, paradoxically, by a collective one in which the essence of the "Pacific way" and the feeling of "togetherness" of the Pacific nations are exploited
fully for the benefit of the peoples of the region.

172. Such a situation, and the method of application, was demonstrated by the Pacific in the negotiations leading to the signing of the Lome Convention. And there is no reason to doubt the region's capacity to do it again.

173. In any regional undertaking, national aspirations, economic, social and political considerations are inextricably interwoven. Nonetheless we continue to believe that, while there are limits to what regionalism can achieve, in the Pacific context it offers the only realistic approach to the achievement of a viable economic existence for small developing Island economies.
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<tr>
<th>Meeting Description</th>
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<tr>
<td>Regional Shipping Advisory Board Meeting</td>
<td>2-3 June 75</td>
<td>Suva</td>
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<td>Regional Shipping Council Meeting</td>
<td>6-7 June 75</td>
<td>Suva</td>
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<td>Fifth SPEC Committee Meeting</td>
<td>26-27 June 75</td>
<td>Nuku'alofa</td>
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<td>Sixth South Pacific Forum</td>
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<td>Second South Pacific Regional Telecommunications Meeting</td>
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<td>Regional Civil Aviation Ministers' Meeting</td>
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<td>UNDP/FAO/SPEC Regional Pests &amp; Diseases Survey Tripartite Review &amp; Co-ordinating Committee Meeting</td>
<td>2-3 December 75</td>
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<td>Ad Hoc Meeting of Shipping Experts</td>
<td>11-12 February 76</td>
<td>Auckland</td>
</tr>
<tr>
<td>EEC Regional Aid Meeting</td>
<td>19 February 76</td>
<td>Suva</td>
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<tr>
<td>Aid Review Seminar</td>
<td>2-4 March 76</td>
<td>Suva</td>
</tr>
<tr>
<td>Informal Meeting of South Pacific Forum</td>
<td>8-9 March 76</td>
<td>Auckland</td>
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<tr>
<td>CFTC/SPEC Seminar on Foreign Investment</td>
<td>22-27 March 76</td>
<td>Port Moresby</td>
</tr>
<tr>
<td>Regional Shipping Advisory Board Meeting</td>
<td>26-27 April 76</td>
<td>Auckland</td>
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<tr>
<td>Regional Shipping Council</td>
<td>29 April 76</td>
<td>Auckland</td>
</tr>
<tr>
<td>Meeting on Long Term Regional Sugar Arrangements</td>
<td>17-18 May 76</td>
<td>Suva</td>
</tr>
</tbody>
</table>

(a) SPEC assisted the Government of Tonga in servicing this meeting.
SPEC STAFF LIST
MAY 1976

DIRECTOR: Hon. Mahe U. Tupouniua
DEPUTY DIRECTOR: Mr R.G. Irwin
EXECUTIVE/ADMINISTRATIVE OFFICER: Mr R. Osborne
RESEARCH OFFICER: Mr B.R. Davidson
MARKETING OFFICER: Mr R.N. Morgan
ASSISTANT RESEARCH OFFICER I: Mr F.B. Hong Tiy
ASSISTANT RESEARCH OFFICER II: Mr F. Toleafoa
ASSISTANT RESEARCH OFFICER III: Mr T. Pierre
ASSISTANT RESEARCH OFFICER IV: Mr J.M. Tallen
ASSISTANT RESEARCH OFFICER V: Vacant
JUNIOR ECONOMIST I: Mr E.T. Blakelock
JUNIOR ECONOMIST II: Vacant
ADMINISTRATIVE STAFF
CLERK OF WORKS: Mr R. Raju
ADMINISTRATIVE ASSISTANT: Mr A. Akbar
SECRETARY: Mrs R.A. Bhagwan
SECRETARY: Mrs A.M. Sellars
RECEPTIONIST: Mrs N. Nand
CLERK/TYPIST: Miss M. Kauyaca
stenographer: Vacant
DRIVER: Mr J. Tuwai

SHIPPING PROJECT STAFF (Temporary)
SHIPPING ADVISER: Mr B. de Vlaming
PROJECT OFFICERS: Mr R.E. Brennan, Mr S. Bose
SECRETARY: Mrs A.N. Koto

ATTACHED EXPERTS
BULK PURCHASING INVESTIGATION: Mr J.H. van Juchem

BANANA REVITALISATION SCHEME: Mr L.A. Walker