SOUTH PACIFIC BUREAU FOR ECONOMIC CO-OPERATION

DIRECTOR'S ANNUAL REPORT
1980/81
I have pleasure in submitting my Annual Report for 1980/81 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. As is the normal practice, I have circulated the Report to member Governments.

G.B. Gris
Director

SUVA
5 June 1981
<table>
<thead>
<tr>
<th>TABLE OF CONTENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paragraph</td>
</tr>
<tr>
<td>REGIONAL OVERVIEW</td>
</tr>
<tr>
<td>HIGHLIGHTS OF THE WORK PROGRAMME</td>
</tr>
<tr>
<td>PART I : WORK PROGRAMME</td>
</tr>
<tr>
<td>(a) TRADE</td>
</tr>
<tr>
<td>- General</td>
</tr>
<tr>
<td>- SPARTECA</td>
</tr>
<tr>
<td>- Regional Committee on Trade</td>
</tr>
<tr>
<td>- SPARTECA Seminar</td>
</tr>
<tr>
<td>- Explanatory Booklet on SPARTECA</td>
</tr>
<tr>
<td>- Investigation into Scope for Closer Economic Co-operation Among Island Members of SPEC</td>
</tr>
<tr>
<td>- Investigations into Markets of Japan and the United States of America</td>
</tr>
<tr>
<td>- Regional Trade and Marketing</td>
</tr>
<tr>
<td>- Problems of Trade Affecting the Smaller Pacific Island Countries</td>
</tr>
<tr>
<td>- Generalised System of Preferences (GSP)</td>
</tr>
<tr>
<td>- Trade Promotion Advisory Services and Training Project - RAS/79/017</td>
</tr>
<tr>
<td>- Study on the Feasibility of Regional Trade Stabilisation for Export Commodities</td>
</tr>
<tr>
<td>- CHOGEM Consultative Group on Trade</td>
</tr>
<tr>
<td>- New Zealand Trade Centre</td>
</tr>
<tr>
<td>- Bulk Purchasing</td>
</tr>
<tr>
<td>(i) Pharmaceuticals</td>
</tr>
<tr>
<td>(ii) Tinned Fish</td>
</tr>
<tr>
<td>(iii) Other</td>
</tr>
<tr>
<td>Paragraph</td>
</tr>
<tr>
<td>-----------</td>
</tr>
<tr>
<td>53</td>
</tr>
<tr>
<td>54- 70</td>
</tr>
<tr>
<td>54- 55</td>
</tr>
<tr>
<td>56- 59</td>
</tr>
<tr>
<td>60- 61</td>
</tr>
<tr>
<td>62- 63</td>
</tr>
<tr>
<td>64</td>
</tr>
<tr>
<td>65</td>
</tr>
<tr>
<td>66</td>
</tr>
<tr>
<td>67</td>
</tr>
<tr>
<td>68</td>
</tr>
<tr>
<td>69- 70</td>
</tr>
<tr>
<td>71- 84</td>
</tr>
<tr>
<td>71- 82</td>
</tr>
<tr>
<td>71- 73</td>
</tr>
<tr>
<td>74</td>
</tr>
<tr>
<td>75</td>
</tr>
<tr>
<td>76- 79</td>
</tr>
<tr>
<td>80</td>
</tr>
<tr>
<td>81- 82</td>
</tr>
</tbody>
</table>
Civil Aviation
- Regional Civil Aviation Council 83
- Advisory Committee 84
(d) TELECOMMUNICATIONS 85-90
- Seventh South Pacific Regional Telecommunications Meeting 85-86
- South Pacific National Telecommunications Needs Study 87
- EEC Regional Projects 88-89
  (i) Regional Telecommunications Network 88
  (ii) Telecommunication Training Centre 89
- Pacific Telecommunication Council 90
(e) ENERGY 91-99
- OPEC Mission 91-93
- Institutional Arrangements Study 94-96
- Interim Co-ordinating Role 97-98
- Price Review Mechanism 99
(f) ENVIRONMENT 100-106
- South Pacific Regional Environment Programme (SPREP) 100-103
- Natural Disaster Fund 104
- Natural Disaster, Prevention, Preparedness and Rehabilitation Meeting 105-106
(g) AID AND AID CO-ORDINATION 107-133
- Regional Development Fund 107-110
- Lome I Regional Projects 111-114
- Lome II Regional Projects 115-119
<table>
<thead>
<tr>
<th>PART II : REGIONAL AND INTERNATIONAL RELATIONS</th>
<th>134-169</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) FORUM AND SPEC</td>
<td>134-142</td>
</tr>
<tr>
<td>- Eleventh South Pacific Forum</td>
<td>134-137</td>
</tr>
<tr>
<td>- Mini Forum on Pacific Forum Line</td>
<td>138</td>
</tr>
<tr>
<td>- SPEC Committee</td>
<td>139-140</td>
</tr>
<tr>
<td>- Other Meetings</td>
<td>141</td>
</tr>
<tr>
<td>- Membership</td>
<td>142</td>
</tr>
<tr>
<td>(b) REGIONAL</td>
<td>143-151</td>
</tr>
<tr>
<td>- Regional Institutional Arrangements</td>
<td>143</td>
</tr>
<tr>
<td>- Forum Fisheries Agency</td>
<td>144</td>
</tr>
<tr>
<td>- South Pacific Commission (SPC)</td>
<td>145-146</td>
</tr>
<tr>
<td>- University of the South Pacific (USP)</td>
<td>147</td>
</tr>
<tr>
<td>- East-West Centre - Pacific Islands Development Programme (PIDP)</td>
<td>148-149</td>
</tr>
<tr>
<td>- Pacific Basin Community Concept</td>
<td>150-151</td>
</tr>
<tr>
<td>(c) INTERNATIONAL AGENCIES</td>
<td>152-167</td>
</tr>
<tr>
<td>- Commonwealth Secretariat and</td>
<td></td>
</tr>
<tr>
<td>Commonwealth Fund for Technical Co-operation</td>
<td>152-154</td>
</tr>
<tr>
<td>- European Communities (EC)</td>
<td>155-156</td>
</tr>
<tr>
<td>Paragraph</td>
<td>Content</td>
</tr>
<tr>
<td>-----------</td>
<td>---------</td>
</tr>
<tr>
<td>157-160</td>
<td>Economic and Social Commission for Asia and the Pacific (ESCAP)</td>
</tr>
<tr>
<td>161-162</td>
<td>Association of South East Asian Nations (ASEAN)</td>
</tr>
<tr>
<td>163</td>
<td>United Nations Development Advisory Team (UNDAT)</td>
</tr>
<tr>
<td>164</td>
<td>International Telecommunication Union (ITU)</td>
</tr>
<tr>
<td>165-166</td>
<td>Asian Development Bank/World Bank (IBRD)</td>
</tr>
<tr>
<td>167</td>
<td>Other Organisations</td>
</tr>
<tr>
<td>168-169</td>
<td>RELATIONS WITH NON-MEMBER COUNTRIES</td>
</tr>
<tr>
<td>170-177</td>
<td>PART III : ADMINISTRATION</td>
</tr>
<tr>
<td>170-172</td>
<td>Budget and Finance</td>
</tr>
<tr>
<td>173-175</td>
<td>Library</td>
</tr>
<tr>
<td>176-177</td>
<td>Staffing</td>
</tr>
<tr>
<td>178-181</td>
<td>CONCLUSION</td>
</tr>
</tbody>
</table>

ANNEX 1: MEETINGS SERVICED BY SPEC 1980/81

ANNEX 2: SPEC STAFF LIST - JUNE 1981

ANNEX 3: SELECT LIST OF SPEC PUBLICATIONS 1980/81
REGIONAL OVERVIEW

I am pleased to submit to the South Pacific Forum, through the SPEC Committee, my Report for the twelve months May 1980 to end May 1981, a period of considerable activity for the South Pacific region and for SPEC. As I observed in my previous Report, there is a growing international interest in the South Pacific region. This reflects a number of factors such as the evolution of the region from non-independent to fully independent status and the consequent development of a "Pacific block" in world affairs, and the important economic and strategic potential of the South Pacific. Of particular significance have been the continuing sessions of the Law of the Sea Conference with its implications for archipelagic and island countries.

2. Yet the countries of the region still face major developmental problems. Economic development cannot be accelerated beyond a certain absorptive capacity, and basic infrastructures, including not least a sound technological base, have yet to be established. Island countries remain particularly vulnerable to the high cost of petroleum products, while the world price for staple commodities, notably copra, has affected export earnings. The fisheries potential is being tapped, but much remains to be done.
3. Within the region, we have seen the Republic of Vanuatu achieve independence in circumstances extraordinary for the Pacific. Happily, moderation and regional solidarity contributed to a peaceful resolution of Vanuatu's political strife. Vanuatu has been admitted as a full member of the Forum and has joined SPEC as its fourteenth member Government.

4. Elections in Australia last October saw the return of the Liberal/National Country Party coalition in that country for a further term. In Solomon Islands Prime Minister Kenilorea was also returned to power in elections in September 1980, while Premier Rex in Niue and President DeRoburt in Nauru were each re-elected early in 1981. The evolution of the status of the Federated States of Micronesia, and other Micronesian island groups, has been delayed by the election of a new Administration in the United States which is reviewing the position in the Trust Territories.

5. All in all, the South Pacific has remained a region characterised by stability, and by a gradual growth in both stature and political awareness. The horizons are widening for the people of the Pacific and their experience is expanding. I expect this process to continue and for the South Pacific Forum to play a leading role. SPEC, as the Forum's executive Secretariat, is privileged to take part in these developments.
HIGHLIGHTS OF THE WORK PROGRAMME

6. The past twelve months, since I submitted to the SPEC Committee and South Pacific Forum my Report for 1979/80, has seen important developments across the breadth of SPEC's activities. This has meant that the Bureau's resources have been fully used. Although many of the issues facing SPEC and member countries have been complex and difficult, I believe the Secretariat has carried out its mandate to the fullest extent possible.

7. One of the most serious issues has been the continuing financial, and hence operational, problems of the Pacific Forum (Shipping) Line (PFL). The Regional Shipping Council Meeting in Christchurch, New Zealand, in August 1980 was unable to settle the Line's then outstanding financial situation, and it was necessary to convene in September a special session of the South Pacific Forum to consider this matter. The Forum, meeting in New Delhi, India, immediately after the Commonwealth Regional Heads of Government Meeting, concluded that the PFL should continue to operate and that the outstanding financial requirements of the Line to the end of 1981 should be met by shareholders. However, the issue has not been fully resolved. Early in 1981, SPEC organised, with financial assistance from the Commonwealth Fund for Technical Co-operation, a management and operational study of the PFL.
PART I : WORK PROGRAMME

(a) TRADE

- General

14. Trade activities continue to constitute the most significant area of the SPEC work programme. During the period under review the SPARTECA Agreement was signed, ratified and came into effect. SPEC remains closely involved in monitoring the Agreement and in the annual review arrangements through the Regional Committee on Trade.

15. The Bureau has also moved on from SPARTECA to investigate other potential markets for regional export products, and has pressed for the implementation of project activities to stimulate marketing and production within the region. In the near future we expect to see the implementation of the study on closer economic co-operation amongst Island members of SPEC (Free-Trade Area Study) which is envisaged to be of considerable significance to member Governments.

16. On the marketing side, the Bureau has been able to provide advisory services through its Trade and Marketing Officer and has looked closely at problems facing traditional and new agricultural exports. Closer attention in particular has been given to the coconut industry.
17. These various undertakings form a deliberate effort by SPEC to stimulate intra and inter-regional trade, and to fulfil the mandate given to the Bureau. Our programme has meant a heavy strain on available, limited staff resources.

- SPARTECA

18. The South Pacific Regional Trade and Economic Co-operation Agreement (SPARTECA) was considered and signed, subject to ratification, by most Forum Governments at the Eleventh South Pacific Forum at Kiribati on 14 July 1980. Fiji decided not to sign the Agreement at that stage until its concerns on certain items in the schedules, in particular citrus juice and timber exports, were accommodated. Papua New Guinea supported the Agreement but was not able to sign then because of constitutional reasons. Both countries have since signed and ratified the Agreement.

19. Nauru indicated that it would sign the SPARTECA only if Nauru were included in the definition of "smaller Island countries" in Article 1 of the Agreement. Vanuatu was not then in a position to sign the Agreement, but is now eligible as a full and independent member of the Forum to accede to SPARTECA. The Federated States of Micronesia as a Forum observer is not eligible to become a party to SPARTECA.

20. The Agreement has been signed and ratified by the following countries: the Cook Islands, Fiji, Tonga, Papua
New Guinea, New Zealand, Niue, Western Samoa, Solomon Islands and Tuvalu. Kiribati and Australia have signed but have not yet ratified the Agreement. Australia, has, however, passed amending legislation to allow its rules of origin and preferential tariff rates as contained in the Agreement to take effect from 1 January 1981. The Agreement also entered into effect with respect to New Zealand from 1 January 1981.

Since the signing of SPARTECA there have been a number of requests from Forum Island Countries to amend the Schedules, in particular Australia's Schedule 1. The details of these requests have been conveyed by SPEC to all Forum Governments, while requests are under consideration by the Australian Government. Australia has made a number of amendments to its Schedules.

Regional Committee on Trade

The first meeting of the Regional Committee on Trade, the body established by SPARTECA, to review and consider the operation of the Agreement and its Schedules, is to be held on 8-10 July 1980 in Rarotonga, the Cook Islands. The report of this Committee will be submitted to the Twelfth South Pacific Forum, through the Director of SPEC. The Bureau is also responsible for convening and servicing this meeting.
9.

- SPARTECA Seminar

23. On 29 April 1981 a short Seminar was held at SPEC Headquarters, Suva to explain the operation of the SPARTECA Agreement to local businessmen. The seminar was organised by the Australian and New Zealand Trade Commissioners in Suva.

- Explanatory Booklet on SPARTECA

24. An explanatory booklet on SPARTECA aimed at explaining in brief the Agreement to Island business people has been prepared. Comments on the draft have been received and incorporated into the text. It is expected to be printed soon.

- Investigation into Scope for Closer Economic Co-operation Among Island Members of SPEC

25. SPEC was authorised by the Eleventh South Pacific Forum to commission a feasibility study in consultation with member countries to:

a) examine present economic and trade relationships between Island members;

b) evaluate the potentials for a closer trade and economic relationship; and
10.

c) recommend possible alternative measures and approaches, including their costs and benefits and the time frame envisaged in implementing any measures.

26. Accordingly, draft terms of reference for such a study were prepared and cleared through correspondence with Forum member countries.

27. Funding assistance was then sought from the Commonwealth Fund for Technical Co-operation (CFTC), and the CFTC has recently approved the project. SPEC has been advised that it will commence during the second half of this year. The exercise will be carried out by consultants chosen by SPEC and CFTC, working in close co-operation with the Bureau.

- Investigations into Markets of Japan and the United States of America

28. Acting upon the mandate given by the 1980 pre-Forum SPEC Committee, SPEC prepared and circulated to member countries draft terms of reference for a study into the markets of Japan and the United States aimed at improving access of selected Island products. SPEC has received assistance from the Export Market Development Division of the Commonwealth Secretariat which has led to substantial funding of this project from the Commonwealth Fund for Technical Co-operation.
29. An Australian consultant firm, the Economic Research Unit, has been appointed to undertake the study in co-operation with SPEC. Visits by the ERU/SPEC team have been made to a number of Island countries to compile a selected product list for market investigations in Japan and the US. The actual market research in these two countries has also been completed, and the Report on the exercise is expected to be available shortly.

- Regional Trade and Marketing

30. It has been possible to provide more effective assistance in trade and marketing matters during the year particularly through a series of visits to small Island countries. During those visits the SPEC Trade and Marketing Officer not only completed the study on the Trade Problems of Smaller Island Countries, but also contacted and held discussions with Government officials and Chambers of Commerce on regional trade and marketing issues. Countries visited included the Federated States of Micronesia, Kiribati, Nauru, Tuvalu and Vanuatu. A further visit to the Federated States of Micronesia in April 1981 provided an opportunity to discuss investment and trade opportunities.

31. Following the study of Trade Problems and because of the depressed copra marketing situation, SPEC has become more involved with the copra industry than previously. Efforts have been made to encourage a positive regional
approach to the industry. Further efforts have been made not only to work more closely with the Asian Pacific Coconut Community, but also to assess the value of that body to the Pacific region.

32. There has been increased interest in trade between Forum Island countries during the year under review and a much greater volume of requests for assistance was received from the private sector and from Government trade officials. The requests covered a wide range of existing and potential export products.

33. Successful market development in the region is largely dependent on regular shipping services, and to a lesser degree on air freight opportunities. Intra-regional trade is being severely hampered by problems arising from shipping feeder routes, particularly those between Australia, New Zealand, Fiji in the south, and Tuvalu and Kiribati to the north. There is under-utilisation of air cargo space from Western Samoa, Fiji, Tonga and New Zealand to Nauru and Kiribati and on to Ponape. There is insufficient space into Tuvalu.

34. Inflexible plant quarantine regulations are directly inhibiting exports of fruit, produce, eggs and poultry, in spite of the good air services. There continues to be excessive import into the region of fruit and produce at the expense of growers well able to supply on a seasonal basis.
35. With regard to copra the necessity to reduce marketing overheads and internal freight costs is of concern to all Governments. The need to increase efficiency of oil mills already operating in the region is of utmost importance to the coconut industry, faced as it is with stiff competition from the Philippines. Mills in at least three regional countries could operate at a higher capacity, which would bring about substantial savings in direct costs and reductions in freight rates.

Problems of Trade Affecting the Smaller Pacific Island Countries

36. A Report on Problems of Trade Affecting the Smaller Pacific Island Countries was produced by SPEC's Trade and Marketing Officer and considered by the Pre-Forum SPEC Committee at Tarawa, Kiribati in July 1980. While the Report drew attention to many problem areas such as shipping, bulk purchasing, market advisory needs, etc, the Committee requested that SPEC provide a Supplementary Report to cover Kiribati, Tuvalu, Nauru and the Federated States of Micronesia, which had not been examined when drawing up the first Report.

37. It has become clear that a major constraint to the development of trade in the Smaller Island Countries is that of staff training at all levels, combined with lack of capital for even the smallest entrepreneurial activities. Difficulties are being experienced by such countries in determining future trade and marketing policies
and the ability of the private sector to adequately and confidently set about exploiting trade opportunities.

38. The Supplementary Report was completed early in 1981 and it was circulated to member Governments in April, together with an outline of the progress and development of SPEC's activities which relate to those matters touched on by the Report.

- Generalised System of Preferences (GSP)

39. In August 1980 SPEC sought authority from member countries to apply for recognition as an appropriate regional economic body representing Pacific countries which would enable the USA to recognise any claim under Cumulative Rules of Origin. Within the foreseeable future such an arrangement could benefit Forum Island countries particularly with canned fish and produce. Although there is increased interest by member countries in GSP and an appreciable increase in claims for concessions under the scheme, it is disappointing that there has been little response to this proposal.

40. More recently, a Trade Mission from American Samoa has proposed that regional trade could be increased by the export of partly finished goods to that country for finishing and export to the USA under the United States' Scheme. In the event of such a suggestion being taken up by Forum Island countries it is believed that there would have to be recognition by the USA of a regional body such as SPEC, and also a special concession would have to be granted to include American Samoa.
41. The UNCTAD/ITC–SPEC Trade Promotion, Advisory Services and Training project was scheduled for commencement in 1980 but was delayed through difficulties in the recruitment of a suitable project co-ordinator. Nevertheless, the project got underway in February 1981 with the arrival in Suva of the co-ordinator, Mr N. Burrill, and the implementation of a preparatory mission to SPEC Island member countries to identify specific activities for the project. These activities will include the provision of marketing advice, technical assistance in packaging, training in export marketing and trade promotion techniques, assistance to Chambers of Commerce and the provision of equipment and documentation for trade information centres.

42. The project is closely co-ordinated with the SPEC Work Programme, and is headquartered at SPEC. It will further assist SPEC's trade information work through the provision of regional trade information facilities.

43. The report of the SPEC/SPC team on this subject was presented to the Twentieth South Pacific Conference, which decided that further research was required before a decision could be taken. Such work is being undertaken.
Bulk Purchasing

(i) Pharmaceuticals

There has been little change in the situation concerning the proposed South Pacific Pharmaceutical Scheme. Major questions concerning the location of the SPPS, the membership and the final Memorandum of Understanding are still to be resolved. WHO has yet to release its report recommending the location for the headquarters of the SPPS.

(ii) Tinned Fish

Investigations at the commercial level have demonstrated that there would be little real advantage in terms of retail price in resorting to a bulk purchasing scheme. The import of this commodity by most countries is done privately in a highly competitive market based on very low FOB costs. Any bulk purchasing scheme would require heavy inventory and financial outlay with costs out of proportion to any savings made.

(iii) Other

The SPEC examination of the Trade Problems of Smaller Island Countries (Reports SPEC(80)9 and SPEC(80)17) recommended that investigation be made into bulk purchasing of a wide range of capital equipment, orders for which are
at present not centrally collated or investigated on a regional basis. It is considered that countries in the region could make substantial savings on orders such as equipment for public works, fertilisers, sprays and insecticides if they were bulked together for both manufacture and shipping.

- SPEC Series

53. The contract between the Asia Pacific Research Unit (APRU) and the Office for Projects Execution of the UNDP was completed in November 1980 and work on the Series is underway with phase I of the project completed. The Series is to provide trade and investment profiles on SPEC Island countries. SPEC has general control and oversight in the preparation of the Series, which is being produced by APRU.

(b) AGRICULTURE AND INDUSTRY

- Regional Long Term Sugar Agreement.

54. Parties to the Regional Sugar Agreement met at SPEC Headquarters on 14 April 1981 to review the 1980/81 quota utilisations under the Agreement and to establish prices and quota allocations for the 1981/82 year. Countries represented were Fiji, Kiribati, Tonga, Tuvalu and Western Samoa. Solomon Islands and Nauru were not able to be present. Papua New Guinea attended in an observer capacity.
the CFTC/SPEC Report on Industrial Development and Trade Relations in the South Pacific. The aim of the study was to assess the effectiveness of existing industrial incentive schemes in each Island country and to recommend ways and means to improve the effectiveness of such schemes. The study will also suggest basic guidelines for harmonisation of incentive schemes with a view to the encouragement and rational development of industries in the Forum Island countries. The final report is under preparation and will be available for distribution soon.

- Centre for Industrial Development (CID)

67. Due to re-organisation and budgetary factors within the CID, a CID Seminar for Pacific ACP countries which was scheduled to be held at SPEC Headquarters in October 1980 was postponed. SPEC has continued to liaise with CID on the objectives and format of the proposed Seminar, which aims to explain the CID to Pacific businessmen and to introduce interested European investors to the region. The Seminar has been re-scheduled for October 1981.

- Transnational Corporations

68. A Training Workshop on Regulation and Negotiating with Transnational Corporations (TNCs) for Pacific Island countries was conducted by ESCAP in Nuku'alofa in September/October 1980. Participants saw merit in Pacific Island
countries consulting with each other on the terms and conditions of existing agreements with TNCs prior to negotiations, especially for agreements in similar fields. SPEC was requested to act as a depository of information on TNCs which are presently active and are interested in undertaking ventures in the Pacific. A circular sent to member Governments requesting comments drew only a limited response.

- CHOGRM Working Group on Industry

69. SPEC attended the first meeting of the CHOGRM Working Group on Industry held in Port Moresby, Papua New Guinea on 4-6 February 1981. The meeting was also attended by representatives from Australia, Bangladesh, Fiji, India, Malaysia, New Zealand, Papua New Guinea, Singapore, Sri Lanka and Tonga.

70. Country papers from the countries represented, outlining their current and future industrial objectives, were discussed and a programme of action was adopted to be undertaken bilaterally between the countries themselves and in some instances with the assistance of Industrial Development Unit. A follow-up meeting is proposed for the latter part of this year.
(c) REGIONAL TRANSPORT

Shipping

- Regional Shipping Fund Mission

71. As a result of a decision made at the Special Session of the South Pacific Regional Shipping Council in Apia in October 1979, a Shipping Fund Mission, led by the former Director of SPEC Hon Mahe Tupouniua visited twelve cities throughout Asia, Europe and the United States in May/June 1980.

72. The prime objectives of the mission were to identify the most promising sources of assistance which might be available to the Regional Shipping Fund and in particular to the Pacific Forum Line (PFL); and to establish the nature of and conditions attached to such assistance. Discussions were held with Government Ministers and senior officials in potential donor countries as well as senior administrators in international aid organisations.

73. The mission found that direct cash contributions were generally precluded by donors' present procedures, but that technical assistance would be more readily forthcoming. A common pre-requisite was found to be the presentation of an appropriate feasibility study by independent consultants.
- PFL Study

74. The report of the mission was considered by the Eighth Meeting of the Regional Shipping Council held in Christchurch, New Zealand on 5-7 August 1980. The Council approved the preparation of terms of reference for an operational and management study which would seek to map out a future for PFL both in the short and long term. This was subsequently endorsed by the Mini Forum on the Pacific Forum Line - see para 76 below. Terms of reference have been settled and the study is currently being undertaken by the British firm of Touche Ross & Co., under the Commonwealth Fund for Technical Co-operation funding. A final report is expected by mid-July.

- PFL Situation/Regional Shipping Council

75. While this groundwork for future assistance for PFL was being laid, the financial difficulties of the Line persisted. At the Regional Shipping Council meeting in August the immediate financial requirements of PFL received detailed attention. It was accepted that a total additional commitment of US$9 million would be required by the end of 1981. Although various funding alternatives were considered, countries were not then in a position to commit themselves on funding details. All member countries confirmed their continuing support for the Line, and expressed their determination that the PFL continue to operate as a
regional shipping service. The Council agreed there should be a high level meeting at the first opportunity to finalise funding proposals to meet the requirements of the Line.

- Mini Forum on the PFL

76. Subsequently, a Mini Forum was held in New Delhi, India on 7 September 1980 for this specific purpose. That meeting also re-affirmed support for the PFL and concluded an agreement for funding the Line's cash requirements to the end of 1981. This was on the basis that half of the US$9 million would be met by New Zealand, and the balance from the Australian bilateral aid programme to Island countries or by direct cash contribution. The meeting also agreed that there was an urgent need for a study of the Line's management, so that future operations might be soundly based.

77. Although the Mini Forum agreed on the basic outline of future funding, specific details were left unresolved. Subsequently in November 1980, the Australian Foreign Minister, the Honourable A A Street, proposed a burden-sharing arrangement (the so-called "Street formula") which sought to provide PFL with its financial requirements as agreed at the New Delhi Mini Forum. This formula entailed direct contributions from Papua New Guinea, Solomon Islands and the Cook Islands, and a diversion of Australian bilateral aid funds from certain
Island countries. The formula specified Papua New Guinea's contribution, and diversion from Australian bilateral aid allocations to Fiji, Kiribati, Tonga, Tuvalu and Western Samoa based on percentage shares of overall bilateral aid.

78. When the Street formula failed to find favour with Island countries and the delay in providing PFL with the necessary finance was jeopardising the Line's continued operation, SPEC, at the request of the Australian Government, convened a meeting of senior officials at SPEC Headquarters in February 1981. This meeting however, failed to reach agreement on the Street formula or on any alternative financing arrangement.

79. PFL has nevertheless, been able to maintain services on its three trunk routes, largely through cash contributions and overdraft guarantees from the New Zealand Government totalling US$4.5 million since the New Delhi Mini Forum, plus an advance of A$1 million against the Street formula. Tonga and Western Samoa have individually agreed to the Street formula, and the Cook Islands has made a direct contribution. Papua New Guinea has announced its willingness to contribute up to US$1 million.

- Minimum Wage Rates for Pacific Island Seamen

80. At its Christchurch meeting the South Pacific Regional Shipping Council also noted progress towards
the adoption of minimum wage rates and conditions for Pacific Island seamen. SPEC officials met with the Regional Representative of the International Transport Workers Federation (ITF) in June 1980 and succeeded in agreeing on a formula for phasing in minimum wage rates sought by the ITF. This formula was relayed to Member Governments for their implementation. Advice has been received by SPEC that it has been officially endorsed by the ITF Congress.

- Uniform Maritime Standards

81. The Fourth Meeting of the Advisory Committee on Uniform Maritime Standards met at SPEC Headquarters in January 1981. The Committee approved a syllabus for Grade 4 Marine Engineer Officers and syllabuses for all grades have now been established. The Committee also approved loadline regulations and requirements for fire fighting appliances to be carried on each class of vessel.

82. The meeting was attended by the IMCO Regional Maritime Training Co-ordinator, Captain M.W.S. Drew, who presented his quarterly report, and the IMCO Regional Maritime Adviser for Asia and the Pacific. The possibility of obtaining an IMCO Maritime Adviser solely for the Pacific region is to be discussed at the next meeting of the Regional Shipping Council.
Civil Aviation

- Regional Civil Aviation Council

83. The Regional Civil Aviation Council met in Christchurch, New Zealand in August 1980, discussing facilitation issues which had been brought to its attention by the Association of South Pacific Airlines (ASPA). The standardisation of embarkation/disembarkation cards in the region was seen as a worthwhile facilitation measure and is being pursued.

- Advisory Committee

84. The Regional Civil Aviation Advisory Committee met in Tonga on 28-29 May 1981 and discussed the future work programme of the Committee. Facilitation, training, air safety and security, co-operation in tourism development, search and rescue, a survey of communication facilities, information of civil aviation resources, and a review of civil aviation legislation were identified as priority areas for future involvement. The Committee also received recommendations on facilitation matters from ASPA and submitted a number of recommendations to the Regional Civil Aviation Council, scheduled to meet in June.
(d) TELECOMMUNICATIONS

- Seventh South Pacific Regional Telecommunications Meeting

85. The annual South Pacific Regional Telecommunications Meeting was held at SPEC Headquarters on 30 October - 5 November 1980. The meeting was attended by sixteen countries and territories including the Trust Territories of the Pacific Islands, which was represented at the meeting for the first time. The meeting reviewed the Regional Telecommunication Training and Regional Telecommunications Development projects, and discussed extensions of the projects to cover the period 1982-1986.

86. The meeting reviewed the progress made in the provision of telecommunications facilities throughout the region over the past year, and agreed on a work programme and priorities for the five year period 1982-1986. The meeting also noted the high levels of traffic growth experienced by all countries in the South Pacific over the past year and the rapid spread of satellite telecommunication throughout the region. The telecommunication needs of the rural communities throughout the region were considered, and also the provision of services for the University of the South Pacific to continue its distance teaching programme after the expiration of the ATS-1 Satellite.
Following the Seventh Regional Telecommunications Meeting, discussions were held at SPEC Headquarters, Suva from 6-7 November 1980 on the possibility of the national telecommunications needs of the South Pacific being included in the proposed Australian Domestic Satellite System. Representatives from the Australian Satellite Project Office explained the reasons for the decision by the Australian Government to include only Papua New Guinea in the first generation satellite and offered to consider the funding of a task force to examine the national needs of the South Pacific region. The meeting agreed to accept this offer and a New Zealand offer to provide a participant. The study is soon to commence.

EEC Regional Projects

(i) Regional Telecommunications Network

The Standard B Earth Station in Western Samoa, the Electronic Time Division Multiplex Telex Exchange for Fiji, and SCPC and other supplementary equipment for Fiji are all completed and operational. The two outstanding installations which should be completed before the end of 1981 are the gateway exchanges for Tonga and Western Samoa.
(ii) Telecommunication Training Centre

89. The construction of the Telecommunication Training Centre is now completed and was officially opened by the Rt Hon Ratu Sir Kamisese Mara, Prime Minister of Fiji on 11 June 1981. The complex was financed mainly by the EEC with additional financial and other assistance from Australia, New Zealand, UNDP and ITU.

- Pacific Telecommunication Council

90. The SPEC Committee meeting in Tarawa in July 1980 agreed that SPEC should continue to maintain links with the Pacific Telecommunications Council, and accordingly a SPEC representative attended the annual conference of the Council held in Honolulu, Hawaii in July 1980. Information on matters discussed at the Conference has been circulated to member countries.

(e) ENERGY

- OPEC Mission

91. The proposed Forum mission to OPEC States to seek sympathetic treatment and/or concessions for Forum Island countries to offset the increasing costs of petroleum and petroleum-product imports has not yet eventuated. The Eleventh South Pacific Forum in July 1980
discussed a progress report from SPEC on the proposal and decided that there was a need for clarification of the objectives of the proposed mission; and that SPEC should draw up the Terms of Reference and circulate them to member Governments so that a decision might be taken on whether or not to proceed.

92. SPEC prepared the Terms of Reference and distributed these to member Governments in August last year. Nine Forum Island countries have since responded that they are in favour of the mission taking place, while Australia and New Zealand have indicated that they are prepared to accept the Island consensus.

93. Two Island leaders have offered their services to the proposed Mission, and the issue is to be reconsidered at the 1981 South Pacific Forum.

- Institutional Arrangements Study

94. During the course of the ESCAP/UNDP Working Group on Energy meeting held in Apia in June last year which considered a Regional Energy Programme, ACP Pacific Group representatives drew up a complementary energy project for EEC funding (under Lome II) which encompassed the establishment of two energy centres in the region. The proposal was submitted to the 1980 South Pacific Forum which expressed concern over the setting up, and financing, of further institutions in the region, and decided that SPEC in consultation with the New Zealand Government, should
commission a team of experts to study and report on the most appropriate institutional arrangements for undertaking the task of energy co-ordination and energy information dissemination in the region.

95. Accordingly, SPEC organised a study team of two energy experts (Mrs Suliana Siwatibau, formerly of the University of the South Pacific, and Dr Eddie Robertson, former Director of the Division of Scientific and Institutional Research (DSIR), New Zealand). The team visited several Forum countries including Australia and New Zealand, as well as a number of regional institutions (eg SPC, USP, CRRERIS) and held discussions with representatives of EEC, ESCAP and UNDP in the Pacific. The views of the countries which the team was not able to visit were received by way of a questionnaire.

96. The findings and the recommendations of the team are expressed in their report which has been distributed to Forum member Governments and which will be considered by the 1981 South Pacific Forum.

- Interim Co-ordinating Role

97. In the interim, SPEC has continued to carry out a co-ordinating role and act as clearing house for member country interests in energy matters as directed by the 1980 Forum.
98. Following attendance at the Commonwealth Regional Renewable Energy Resources Information System meeting on 4 and 5 August 1980, SPEC prepared and distributed a report on the meeting to member countries not represented. SPEC also attended the Commonwealth Consultative Group on Energy held in New Delhi, India in May 1981 and a report will be distributed on that meeting.

- Price Review Mechanism

99. There has been no further progress in organising the establishment of a price review mechanism to oversee the terms under which SPEC member countries are supplied with petroleum products. The New Zealand Government has offered to assist in this matter, but had indicated that since the exercise would warrant the use of a considerable amount of their Ministry of Energy resources it would take some time before the part that the New Zealand Government will play in the exercise is confirmed.

(f) ENVIRONMENT

- South Pacific Regional Environment Programme (SPREP)

100. There has been considerable progress in the development of phase I of the South Pacific Regional Environment Programme. The second meeting of the SPREP Co-ordinating Group, chaired by SPEC with SPC providing
the Secretariat, was held in November 1980 at SPEC Headquarters. The Group discussed the country papers of participating countries and the preparation of other basic working papers for the June 1981 Technical Meeting. These included a Background Paper on the State of the South Pacific Environment, a Declaration of Principles, an Action Plan and a paper on the Financial and Institutional Arrangements for Phase II of SPREP. A timetable leading to the Pacific Conference on the Human Environment in February 1982 was also agreed upon.

101. The Co-ordinating Group Meeting noted that the satisfactory responses of Governments to the invitation to submit country reports reflected continuing support for the SPREP programme.

102. The third Co-ordinating Group Meeting was convened in March 1981 in Noumea and it reviewed the draft papers for the Technical Meeting. The meeting discussed preparatory activities for the Environment Conference and the SPREP Budget.

103. A fourth Co-ordinating Group Meeting is scheduled to immediately precede the Technical Meeting, which is to take place on 22-26 June 1981, in Noumea. The Technical Meeting constitutes an important step in preparations for the Conference on the Human Environment. It will review and revise the basic working documents and advise on the scope of the Regional Conference.
104. There were no payments made in the last year from the Fund. Contributions received during the year increased the Fund to a level of F$480,596.

105. At the 1980 South Pacific Forum in Kiribati, SPEC presented for the Forum's consideration the recommendations of the above officials meeting. The Kiribati Forum decided that as the recommendations covered a wide range of both national and regional programmes they should be referred back to officials for further consideration.

106. In accordance with this directive SPEC wrote to member Governments reiterating the Forum's decision and requesting Governments to advise SPEC on how they wished to proceed. Whilst awaiting reactions from Governments, SPEC is consulting with the appropriate international organisations (League of Red Cross Societies, UNDRO, East-West Center) on issues such as the establishment of regional storage warehouses, the training of Island personnel in disaster preparedness and relief, and the establishment of a regional tsunami network. SPEC has also drawn to the attention of the Association of South Pacific Airlines (ASPA), and the Civil Aviation Advisory Committee, the recommendation that regional airlines
consider the provision of free or reduced transport costs for relief supplies and personnel to disaster areas. The result is that ASPA carriers are prepared to respond to requests for the provision of free or reduced cost transport for relief supplies and personnel to disaster areas in circumstances where a full emergency has been declared.

(g) AID AND AID CO-ORDINATION

Regional Development Fund

107. As a result of a decision by the 1980 Tarawa Forum that a proposal for a Regional Development Fund "should be the subject of further study, in consultation between the SPEC Secretariat and the Pacific Islands Development Conference, based at the East-West Center", SPEC has organised a study of this issue.

108. SPEC consulted PIDP and agreement was reached that SPEC would play the leading role in the exercise, but PIDP should be advised of progress. Since the SPC was also directed to carry out a similar study by the Twentieth South Pacific Conference, consultations were held with SPC and it was decided to conduct a joint SPEC/SPC exercise.
109. Terms of Reference were drawn up and both SPEC and SPC have provided one consultant for the study team. SPEC has also provided administrative support and the services of an officer to assist the team. As difficulties were experienced in recruiting an Island team leader, the study proceeded without such a participant. SPEC's consultant is Mr Graeme Thompson, Chief Economist of the New Zealand Central Planning Council, while SPC has employed the services of Mr Rodney Cole of the Australian National University.

110. The findings and recommendations of the team are contained in a report to be distributed to Forum member countries in advance of the 1981 Forum.

- Lome I Regional Projects

111. The regional projects funded from the Lome I regional allocation of 10 million ECU are either complete, nearing completion or are well into implementation. The projects in the area of telecommunications are covered under the heading Telecommunications.

112. The contract for the supply of containers for the Pacific Forum Line has been fulfilled and the containers were handed over to the Line in August 1980.

113. The Agricultural, Marine Resources and Rural Development projects being implemented by the University of the South Pacific are now all underway with commencement in 1981 of the Rural Development Centre in Tonga, the last
127. A UNDP/ESCAP Inter-Country Programming Mission called on SPEC in September 1980 during the course of its visit to the South Pacific region to prepare for the UNDP Third Cycle Programme for the region. Discussions centred on areas of development in which SPEC considered UNDP/ESCAP could contribute over the Third Cycle period.

128. SPEC was represented at the subsequent Inter-Governmental meeting which considered the UNDP Inter-Country Programme (1982-1986) held in Apia, Western Samoa on 21-26 November 1980. SPEC was a co-sponsor of that meeting together with SPC, USP, UNDP and ESCAP. In discussing the on-going and new projects the meeting decided to programme the total Pacific Inter-Country allocation of US$20 million for the period 1982-86. In addition, the meeting expressed the hope that the UNDP would make available a further US$5 million for reserve purposes during the period.

- SPEC Fellowship Scheme

129. Through the assistance of the Governments of Australia, New Zealand and the Commonwealth Fund for Technical Co-operation, the SPEC Fellowship Scheme continues to provide valuable training of Pacific Island Government nominees. Since the introduction of the Scheme in 1977 thirty fellowships have been awarded. Although most training is undertaken in Fiji, and to a lesser extent in Papua New Guinea, it is encouraging that
in the period under review a few fellowships were undertaken in Western Samoa and the Cook Islands. In one case a fellowship was granted to a nominee of the Tongan Government to undergo training in New Zealand as the type of training requested was not available within an Island country.

130. The following fellowships were taken up during the year:

A Senior Produce Inspector of the Cook Islands Government based on Aitutaki was awarded a fellowship to visit Western Samoa to inspect the system of loading bananas for export to New Zealand.

A Niuean Statistical Officer was awarded a fellowship and was attached to the Cook Islands Statistics Office for training in Census Planning.

An officer of the Pacific Forum Line was attached to the PFL Office in Suva, Fiji, undergoing training in shipping management with other major shipping agents.

An officer from the office of Tokelau Affairs was awarded a fellowship to undertake an Auditing Training Course with the USP's Institute of Social and Administrative Studies in Suva.
A Tuvaluan Magistrate was in Suva on attachment to the Suva Magistrates Office for further practical training.

Two Customs Officers from Tonga are presently in Fiji undergoing training with Fiji's Customs Department in narcotic drugs, excise procedures, Queen's warehouse procedures, etc.

An officer of the Customs Division of the Papua New Guinea Department of Foreign Affairs and Trade is presently attached to Fiji's Customs Department undergoing similar training to the two Tongan Officers as described above. These Customs Officers will be in Fiji for a period of three months.

Another Officer of the Solomon Islands Agriculture Department has been awarded a fellowship to undergo training with Fiji's Agriculture Department. The training will centre on quarantine matters.

In addition to the above, SPEC has approved two further requests from the Tokelau Government for training in Fiji in Audit and Financial Management; one request from the Kiribati Government for the training of a technician in the repair and servicing
of teleprinter machines; and one fellowship to the Government of Tuvalu for the further training of a magistrate in Suva. There have also been a number of enquiries from other Governments.

132. Although the Scheme continues to make awards under a quota system of two fellows per country per year basis, SPEC has approved further fellowships on the grounds of an expressed need by a Government. Conditions pertaining to allowances have also been revised to accommodate cost of living increases.

133. The trust fund at 30 April 1981 stood at F$41,648.29.
Eleventh South Pacific Forum

134. The Eleventh South Pacific Forum was held in Tarawa, Republic of Kiribati on 14-15 July 1980. The Beretitenti of Kiribati, the Honourable Ieremia Tabai, chaired the meeting, which was attended by representatives of all Forum countries. Vanuatu (the New Hebrides) was admitted to full Forum membership and the Federated States of Micronesia was admitted to the Forum in an observer capacity.

135. The Forum discussed the then imminent independence of Vanuatu and the continuing unrest in that country, especially on the island of Espiritu Santo. A Resolution was passed calling upon the then Administering Powers of the New Hebrides to maintain order and stability and to meet the express wish of the elected Parliament of that country to achieve independence on 30 July 1980.

136. The Forum also considered and opened to signature the text of the South Pacific Regional Trade and Economic Co-operation Agreement. Most members signed the Agreement subject to ratification.
137. Other matters considered by the Forum included the Report of the joint SPEC/SPC Committee on Regional Institutional Arrangements (which was referred for further study), the concept of a Pacific Islands Regional Development Fund, Energy, Shipping and Fisheries issues.

- Mini Forum on Pacific Forum Line

138. A Mini Forum to consider the future of the Pacific Forum Line was held in New Delhi, India on 7 September 1980, immediately following a Commonwealth Heads of Government Regional Meeting. All Forum countries except the Cook Islands, the Federated States of Micronesia and Niue attended, and the meeting was chaired by the Beretitenti of Kiribati, the Honourable Jeremia Tabai. The Forum agreed that the Pacific Forum Line should continue to operate and that the Line's financial requirements to the end of 1981 should be met by New Zealand and from the Australian bilateral aid programme to Island countries.

- SPEC Committee

139. The 1980 pre-Forum SPEC Committee meeting was held in Tarawa, Kiribati on 9–10 July 1980. The Committee, which was chaired by Papua New Guinea, considered, endorsed and conveyed to the Forum for approval the Director's Annual Report for 1979/80.
140. The 1980 Budget Session of the SPEC Committee took place at SPEC Headquarters, Suva, Fiji on 3-4 December, 1980, and was chaired by Solomon Islands. The Committee considered and endorsed the SPEC 1981 Budget and Work Programme, which will be considered by the Twelfth South Pacific Forum.

- Other Meetings

141. During the period under review SPEC organised and serviced sixteen meetings. These are listed at Annex 1. Additionally, the Director and professional staff have attended a large number of meetings in connection with the Work Programme. These meetings continue to constitute a major component in the Bureau's activities.

- Membership

142. The Republic of Vanuatu joined SPEC as the Bureau's fourteenth member with effect from 26 August 1980.

(b) REGIONAL

- Regional Institutional Arrangements

143. In response to a suggestion made at the 1980
South Pacific Forum, SPEC undertook an examination of how the Joint SPEC/SPC Committee Report on Regional Institutional Arrangements would affect the region's relationships with the metropolitan powers and their territories in the South Pacific. The SPEC Report has been circulated for consideration by the 1981 Twelfth South Pacific Forum.

- Forum Fisheries Agency

144. Since the Forum Fisheries Agency assumed full responsibility for fisheries matters in the region, SPEC's participation has been limited to attending the meetings of the Forum Fisheries Committee as stipulated in the Forum Fisheries Agency Convention. SPEC was so represented at the Committee Meeting held on 11-13 May 1981, where a number of issues of relevance to the Forum were raised.

- South Pacific Commission (SPC)

145. During the past year, relations between SPEC and the SPC at the working level have mainly been concerned with the following joint projects: the South Pacific Regional Environment Programme (SPREP); the Price Stabilisation Feasibility Study; the Regional Development Fund Study; and preparations for a joint meeting on Regional Development Planning. Liaison has taken place in regard to the preparation of regional
project proposals for submission to the EEC for funding under Lome II. Consultations have also dealt with procedures covering the joint SPC/SPEC Report on Regional Institutional Arrangements.

146. The Director of SPEC attended the Twentieth South Pacific Conference in Port Moresby in October 1980; and the SPC Secretary General attended as an observer the December 1980 SPEC Budget Session in Suva, the first occasion of such attendance. The SPEC Deputy Director attended the 1981 SPC Planning and Evaluation Meeting in Noumea in May 1981. There have been a series of informal contacts, and formal consultations between the heads of the two organisations are scheduled for the latter half of this year.

- University of the South Pacific (USP)

147. SPEC continues to co-operate closely with the USP on the EEC regional projects relating to the University as well as the exchange of information and views on regional matters.

- East-West Centre - Pacific Islands Development Programme (PIDP)

148. A number of consultations took place between SPEC and the representatives of the East-West Centre, Hawaii concerning the activities being investigated by
the Steering Committee of the PIDP. A SPEC representative attended the meeting of the Steering Committee held in Suva in November 1980 to further discuss co-operation between the two bodies.

149. On 21-23 April 1981, the Director attended another meeting of the Steering Committee of the PIDP held in Pago Pago to review the progress of the work programme. The Director briefed the Steering Committee on the progress made in setting up the team to study the Regional Development Bank/Fund. Future co-operation with the PIDP will continue to be of importance, especially in relation to projects in energy, regional co-operation, Pacific Regional Advisory Services, and the Regional Development Bank/Fund Study.

- Pacific Basin Community Concept

150. The Director attended the Seminar on the Pacific Basin Community Concept held at the Australian National University in Canberra on 15-18 September 1981, as an observer representing SPEC, together with representatives from two other Pacific Island countries. The seminar reviewed the extent of co-operation which exists, including constraints and opportunities, and possible further steps in this regard. It was decided to establish a Standing Committee of about 25 persons (to be known as the Pacific Co-operation Committee), to
co-ordinate an expansion of exchange of information within the region and to set up task forces to undertake major studies of a number of issues for regional co-operation. Areas to be studied include trade, direct investment, energy, marine resources, transportation, communications, and education exchanges.

151. SPEC was also invited to participate at the University of Otago Foreign Policy School, held on 15–18 May 1981, which in addition to the relationship between Japan and New Zealand, discussed the above concept. A SPEC paper was presented to the School entitled "Japan in the Region: A Pacific Response".

(c) INTERNATIONAL AGENCIES

- Commonwealth Secretariat and Commonwealth Fund for Technical Co-operation

152. SPEC enjoys a close and co-operative relationship with the Commonwealth Secretariat and the Commonwealth Fund for Technical Co-operation (CFTC). During the past year, the CFTC has agreed to provide financial assistance to important areas of the SPEC work programme, including the study on the scope for closer economic co-operation amongst SPEC island member countries ("free trade area" study), market investigations for the
export of island products to Japan and the United States, and the study into the operations and management of the Pacific Forum Line. CFTC has also provided substantial assistance at SPEC's request for the Regional Handicrafts Seminar in June 1981, and has agreed to assist SPEC with specialist staff attachments. Further joint projects for 1981/82 are under examination.

153. SPEC sent a representative to the Heads of Commonwealth Regional Organisations meeting organised by the Commonwealth Secretariat in Guyana in July 1980. In June 1980, the Commonwealth Secretary-General, Mr Shridath Ramphal visited SPEC, and in February 1981 the SPEC Deputy Director held consultations at the Commonwealth Secretariat in London. SPEC plans to participate in an exchange scheme amongst Commonwealth sub-regional organisations arranged by the Commonwealth Secretariat.

154. SPEC has also assisted the Commonwealth Secretariat Regional Advisory Service Mission, through provision of accommodation and administrative arrangements.

- European Communities (EC)

155. The working relationship between SPEC and the office of the Delegate of the Commission of the European Communities based in Suva has continued to grow with the coming into force of the Lome II Convention and its
expanded allocation for Pacific regional projects, for which SPEC is authorising officer. The complex EC procedures on implementing regional aid require close co-operation between the delegation of the Commission based in Suva and SPEC, and the EC office has given valuable assistance in facilitating the implementation of projects.

156. A mission from the Commission, led by one of the Deputy Director Generals, visited the Pacific in June last year and the Director and Deputy Director have held useful discussions with the Commission in Brussels on regional projects. With the increasing importance of EC regional aid to the Pacific, continuous dialogue with the Commission in Brussels will be desirable to ensure that the regional programme is not only implemented speedily but effectively in accordance with the needs and priorities of the South Pacific region.

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

157. Relations between SPEC and ESCAP have centred upon joint participation in various regional programmes, in particular the Trade Promotion, Advisory Services and Training Project, the South Pacific Regional Environment Programme, the Industrial Survey of the South Pacific and the Pacific Energy Programme.
158. The Director of SPEC attended ESCAP's 37th Session in Bangkok in March, whilst the Executive Secretary of ESCAP and his Special Assistant visited SPEC for discussions in September 1980.

159. The nomination of a Pacific candidate to the post of ESCAP Pacific Liaison Officer was finalised at the 1980 SPEC Budget Session, and subsequently Mr Paula Sotutu of Fiji was appointed. This step will enhance relations and further understanding between ESCAP and its Pacific member countries, as well as between ESCAP and SPEC. Consultations with Mr Sotutu took place at SPEC Headquarters in April 1981.

160. SPEC takes this opportunity to express its appreciation to Mr J.B.P. Maramis, who has recently left the position of Executive Secretary of ESCAP, for his support, sensitivity and assistance to the Pacific Islands needs and aspirations during his term of office. SPEC acknowledges also the efforts of Mr R. Gontha, Assistant to the Executive Secretary.

- Association of South East Asian Nations (ASEAN)

161. The former Secretary-General of ASEAN, Datuk Ali bin Abdullah, visited SPEC on 25 September 1980. Discussions were held principally on the subject of furthering relations between ASEAN and the South Pacific Forum. It was noted
that ASEAN countries remain interested in establishing a closer relationship with the South Pacific region.

162. The Director visited Kuala Lumpur and Bangkok on other official business and these occasions were utilised to make contact with ASEAN National Secretariats where useful discussions were held on matters concerning ASEAN. A visit to the ASEAN General Secretariat in Jakarta is planned for the latter part of 1981 to pursue the dialogue as directed by the 1980 South Pacific Forum, on meaningful and practical areas of co-operation between the ASEAN region and the Forum region.

- United Nations Development Advisory Team (UNDAT)

163. SPEC has worked closely with UNDAT in a number of areas including the provision of short-term consultancies and in relation to ESCAP projects such as the Regional Energy Programme. A co-operative and cordial relationship has been established.

- International Telecommunication Union (ITU)

164. SPEC has worked closely during the past twelve months with the ITU team in Suva on a number of projects, including the Regional Telecommunications Network and the Telecommunications Training Centre. Direct contact was made and useful discussions held with the ITU Secretary
General in Geneva and senior ITU officials. SPEC takes this opportunity to acknowledge the valuable assistance to regional development being rendered by the ITU.

- Asian Development Bank/World Bank (IBRD)

165. SPEC continues to liaise closely with the Asian Development Bank on the ESCAP/ADB/SPEC Industrial Survey of the South Pacific and with regard to the study on the feasibility of establishing a Regional Development Fund/Bank (see paras 107-110). The Director attended the ADB Board of Governors’ meeting held in Honolulu, Hawaii at the end of April, whilst a visit to ADB, Manila was made by the Regional Development Study team in late May. Senior Bank officials visited SPEC Headquarters in March.

166. Contact was also made with the World Bank during the year with the result that the IBRD has been able to provide assistance to SPEC in preparing for the Regional Development Fund Study.

- Other Organisations

167. SPEC has worked closely with a number of other international organisations on various aspects of regional development, and wishes to take the opportunity to acknowledge in particular the efforts and support of the World Health Organisation (WHO), the International Labour Organisation (ILO), International Trade Centre (ITC), United Nations Conference on Trade and Development (UNCTAD),
62.

United Nations Environment Programme (UNEP), and the Intergovernmental Maritime Consultative Organisation (IMCO). Over the past year contacts with these bodies have developed further those organisations' understanding of the South Pacific region, and have led to further co-operation on joint projects.

(d) RELATIONS WITH NON-MEMBER COUNTRIES

168. A number of non-member countries interested in the development of the region, such as the United States of America, the United Kingdom, France and Japan, continue to maintain close links with SPEC. Additionally, non-member Pacific Island territories from time to time have made contact with the Bureau: examples are discussions with an American Samoan trade mission which visited Fiji in May 1981, and an enquiry for detailed information on investment and trade policies received from the Government of Guam.

169. I believe it is important to co-operate to the maximum extent possible with non-member States and territories, in so far as such an approach is considered to be in the best interest of SPEC members. It is also encouraging that there is a steady development of interest in the Bureau and in the region's economic progress.
PART III : ADMINISTRATION

- Budget and Finance

170. Total sum agreed for the 1981 Budget amounts to $772,655, consisting of $759,455 for Ordinary Expenditure and $13,200 for Capital Expenditure. This represents an increase of 15.01% over 1980 ($671,779), a year in which the increase was 14.7%, vis-à-vis an increase of 17.6% in the 1979 Budget.

171. The percentage increase in the Budget has been reduced through funding from external sources for a number of major projects and by rationalisation wherever possible of travel, meetings and commitments. The increase in the 1981 Budget takes account of an expanded work programme due to increased responsibilities, without any increase in the professional staff complement, and reflects a shift in the emphasis of expenditure from administration costs to the work programme.

172. The 1981 Budget was approved by the SPEC Committee Budget Session in December 1980 and will be presented to the Twelfth South Pacific Forum meeting for formal approval in accordance with the terms of Article IX of the SPEC Agreement.
173. The reference material in the library includes SPEC's own publications and many from international organisations, institutions and Governments in the region. Specific material on various aspects of development pertinent to SPEC's work programme are also maintained in the library. The operations of the library will be considerably expanded with the coming onstream of the regional trade information service over the next year.

174. A list of publications produced by SPEC between May 1980 and May 1981 is attached as Annex 3. These have also been distributed to member Governments and to selected international organisations.

175. An Assistant Research Officer/Librarian has been appointed, whose task will include the increasing work in the library.

176. Due to the short-term nature of SPEC professional staff contracts, the past twelve months have again seen a relatively large turnover of staff. The following changes took place:

- Mr Peter Thomson, BA from the Foreign Affairs Department of Fiji joined SPEC on secondment as a Project Officer on 17 June 1980 and was recalled as from 1 September 1980.
Project Officer Mr Anote Tong completed his term with SPEC on 30 September 1980 and returned to Kiribati, where he has been appointed Secretary for Transport and Communications.

Project Officer Mr Robert Igara completed his contract on 31 December 1980. He is now Counsellor in the Papua New Guinea High Commission in Suva.

Assistant Research Officer Mr Rajendra Swami left SPEC on 13 February 1981 to pursue a postgraduate course in Economics in Australia. He started with SPEC on 1 August 1979.

Mrs Wendy Day was appointed Conference Officer to succeed Mrs Tangoi Tupou with effect from 1 June 1980.

Mr Tom Scanlan, with a BSc degree from the University of Canterbury, took up appointment as a Project Officer on 9 January 1981 and comes with prior experience in the Ministry of Finance of the Government of Western Samoa.

Mr Paul Gini took up appointment as a Project Officer on 11 January 1981. Before joining SPEC Mr Gini was employed by the New Zealand Ministry of Transport. He has a BA degree in Economics from Victoria University, Wellington, with Honours in Information Science.
Mr Frank Miro took up an appointment as a Project Officer on 3 February 1981 and comes to SPEC with prior experience in the National Investment and Development Authority, Papua New Guinea and the Papua New Guinea Department of Foreign Affairs and Trade. Mr Miro has a Bachelor of Economics degree from the University of Papua New Guinea.

Mr Ikipa P. Tongatule took up appointment as Research Officer on 19 June 1980 and comes to SPEC from the Legal/Political Division, Central Office, Government of Niue. Mr Tongatule has a Bachelor of Laws degree from the University of Canterbury, New Zealand.

The Secretariat extends its best wishes to all officers who have worked with the Bureau and who left over the last year. New staff are warmly welcomed. The current SPEC staff list appears as Annex 2.
CONCLUSION

178. The work of the Bureau over the past twelve months illustrates that we have made a very determined effort to come to grips with the major problems of the region lying within the SPEC mandate. It has been the objective of myself and my officers to utilise fully, on behalf of our member countries, the capacity and expertise within SPEC. To that end it has been our policy to carry out more vigorously projects within our Work Programme, and to involve SPEC personnel intimately in each stage of project implementation. I believe that SPEC is well able to carry out such a role due to its character and composition. While not every instance has been an unqualified success, I hope member countries will find that the Bureau's efforts have been largely successful and beneficial.

179. The past year has demonstrated I feel, that regional co-operation is still a meaningful concept for the South Pacific. In technical fields much progress has taken place. In areas such as trade and telecommunications, co-operative endeavour is the most suitable course for small Island states to pursue.

180. On the higher, political level, I also consider that regional co-operation has an important place and a sound future. The world consists of a number of power blocs, and sub-groupings: it is difficult for any nation to stand alone, especially small resource-poor developing
countries. Common interests call for a shared approach to issues. Sometimes this is not the easiest course in the short-term, but taking the wider and longer-term view I believe that close regional co-operation remains the answer to many of the South Pacific's basic problems, both on the local and the world scene.

181. The Bureau as an entity has a 'vested interest' in regionalism. But SPEC only reflects the sum of its member countries' aspirations and policies. We will continue to be responsive to these policies, and are committed to carry out a strong programme of regional endeavours, under the Bureau's mandated-function as a unique regional institution. It is my earnest hope that we will perform to the satisfaction of member Governments.

SUVA
5 June 1981
### MEETINGS SERVICED BY SPEC
1 June 1980 - 1 June 1981

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<th>MEETING</th>
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<td>Pre-Forum SPEC Committee Meeting</td>
<td>9-10 July</td>
<td>Tarawa</td>
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<tr>
<td>Eleventh South Pacific Forum</td>
<td>14-15 July</td>
<td>Tarawa</td>
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<td>South Pacific Regional Civil Aviation Council</td>
<td>5 August</td>
<td>Christchurch</td>
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<tr>
<td>Meeting</td>
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<tr>
<td>South Pacific Regional Shipping Council Meeting</td>
<td>5-7 August</td>
<td>Christchurch</td>
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<tr>
<td>Ministerial Meeting of Pacific Group ACP States to consider Regional Projects under Lome II</td>
<td>26-30 August</td>
<td>Apia</td>
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<td>Mini-Forum on PFL</td>
<td>7 September</td>
<td>New Delhi</td>
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<td>Annual SPEC/SPC Consultation</td>
<td>22 September</td>
<td>SPEC HQS</td>
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<td>Seventh South Pacific Regional Tele-</td>
<td>29 October</td>
<td>SPEC HQS</td>
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<td>communications Meeting</td>
<td>5 November</td>
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<td>South Pacific National Telecommunications</td>
<td>6-7 November</td>
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<td>SPREP Co-ordinating Group Meeting</td>
<td>12 November</td>
<td>SPEC HQS</td>
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<td>SPEC Budget Session</td>
<td>3-4 December</td>
<td>SPEC HQS</td>
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<td>MEETING</td>
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<tr>
<td>Advisory Committee on Uniform Maritime Standards</td>
<td>26-29 January</td>
<td>SPEC HQS</td>
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<tr>
<td>Senior Officials Meeting to consider PFL Future</td>
<td>5-6 February</td>
<td>SPEC HQS</td>
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<tr>
<td>ACP Pacific Group Officials Meeting</td>
<td>1-2 April</td>
<td>SPEC HQS</td>
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<td>Regional Sugar Agreement: Annual Review Meeting</td>
<td>14-15 April</td>
<td>SPEC HQS</td>
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<tr>
<td>South Pacific Regional Civil Aviation Advisory Committee</td>
<td>28-29 May</td>
<td>Nuku'alofa</td>
</tr>
</tbody>
</table>
SPEC STAFF LIST
1 June 1981

DIRECTOR
DEPUTY DIRECTOR
ADMINISTRATION OFFICER
RESEARCH OFFICER
TRADE AND MARKETING OFFICER
LEGAL OFFICER
PROJECT OFFICER
ASSISTANT RESEARCH OFFICER
ASSISTANT ADMINISTRATION OFFICER
CONFERENCE OFFICER
SECRETARY
PERSONAL ASSISTANT

Dr Gabriel B. Gris, CBE
Mr Jon P. Sheppard
Mr Gyan Singh, OBE
Mr Ikipa P. Tongatule
Mr John E.C. Franklin
Mr A. Sale'imoa Va'ai
Mr Steven Vete
Ms Fiu Williame
Mr Tommy Scanlan
Mr Paul Gini
Mr Frank Miro
Vacant
Vacant

Mr Aziz Akbar
Mrs Wendy Day
Mrs Ann Sellars
Vacant
<table>
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<tr>
<th>Position</th>
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<tbody>
<tr>
<td>PROPERTY MAINTENANCE OFFICER</td>
<td>Mr Filimone Boletawa</td>
</tr>
<tr>
<td>CLERK</td>
<td>Mr Manoa Kaiyanuyanu</td>
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<tr>
<td>STENOGRAPHER</td>
<td>Mrs Amelia B. Naivalu</td>
</tr>
<tr>
<td>TYPIST</td>
<td>Mrs M. Talahiva Tupou</td>
</tr>
<tr>
<td>TYPIST/TELEX OPERATOR</td>
<td>Mrs Melania Natuna</td>
</tr>
<tr>
<td>FILING CLERK</td>
<td>Mr Uday Prasad</td>
</tr>
<tr>
<td>CLERK</td>
<td>Miss Bodh M. Nandan</td>
</tr>
<tr>
<td>TYPIST/RECEPTIONIST</td>
<td>Mrs Nirmala Nand</td>
</tr>
<tr>
<td>DRIVER/MESSENGER</td>
<td>Mr Jeremaia Tuwai</td>
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<tr>
<td>MACHINE OPERATOR</td>
<td>Mrs Florrie Navari</td>
</tr>
</tbody>
</table>
SELECT LIST OF SPEC PUBLICATIONS
JUNE 1980 - MAY 1981

Director's Annual Report 1979/80
15 May 1980

Problems of Trade Affecting the Smaller Pacific Island Countries. June 1980

Report of the South Pacific Regional Shipping Fund Mission. 17 June 1980

SPEC Committee Meeting - Agreed Record.
Tarawa, Kiribati. 9-10 July 1980

Eleventh South Pacific Forum - Summary Record. Tarawa, Kiribati
14-15 July 1980

South Pacific Regional Trade and Economic Co-operation Agreement (SPARTECA). 14 July 1980

South Pacific Regional Civil Aviation Council Meeting - Agreed Record.
Christchurch, New Zealand
5 August 1980

South Pacific Regional Shipping Council Meeting - Agreed Record.
Christchurch, New Zealand
5-7 August 1980

ACP/EEC Pacific Group Ministerial Meeting on Regional Projects to be Financed under the Lome II Convention - Agreed Record. Apia, Western Samoa.
28-29 August 1980

SPEC(80)8
SPEC(80)9
Unnumbered
SPEC(80)10 Restricted
SPEC(80)REC Restricted
Unnumbered
SPEC(80)11 Restricted
SPEC(80)12 Restricted
SPEC(80)13 Restricted
Mini-Forum on Pacific Forum Line - Agreed Record. New Delhi, India 7 September 1980

South Pacific National Telecommunications Meeting - Agreed Record. Suva, Fiji 6-7 November 1980

South Pacific Telecommunications Meeting - Seventh meeting - Agreed Record. Suva, Fiji 30 October - 5 November 1980

Problems of Trade Affecting Smaller Island Countries - Supplementary Report. November 1980

SPEC Committee Budget Session - Agreed Report, Suva, Fiji 3-4 December 1980

SPEC Budget and Work Programme for Year ending 31 December 1981

South Pacific Trade Commission, Sydney, Budget & Work Programme for Year ending 31 December 1981

SPEC Budget Out-Turn Report for Year ended 31 December 1979

Financial Statements as at 31 December 1979

SPEC Activities (Monthly Newsletter)

Advisory Committee on Uniform Maritime Standards - Agreed Record Suva, Fiji 28 January 1981

SPEC(80)14 Restricted

SPEC(80)15

SPEC(80)16

SPEC(80)17

SPEC(80)18 Restricted

SPEC(80)SCS.4

SPEC(80)SCS.8

SPEC(80)SCK.3

SPEC(80)SCK.4

From No.86 (June) to No.92 (December) Spec(81)1 Restricted
Senior Officials Meeting on PFL
Agreed Record. Suva, Fiji
5-6 February 1981

ACP/EEC Pacific Group Third Meeting
Agreed Record. Suva, Fiji
1-2 April 1981

Regional Long Term Sugar Agreement:
Review Meeting - Agreed Record
Suva, Fiji 14 April 1981

South Pacific Regional Civil Aviation
Advisory Committee Meeting - Agreed
Record. Nuku'alofa, Tonga
28-29 May 1981

SPEC Activities
(Monthly Newsletter)

From No. 93 (January) to No. 96 (April)