



MSG Secretariat Secretariat du GFLM

Melanesian Spearhead Group | Le Groupe Fer de Lance Mélanésien

Annual Report

Rapport annuel



2021



MSG GEOGRAPHY

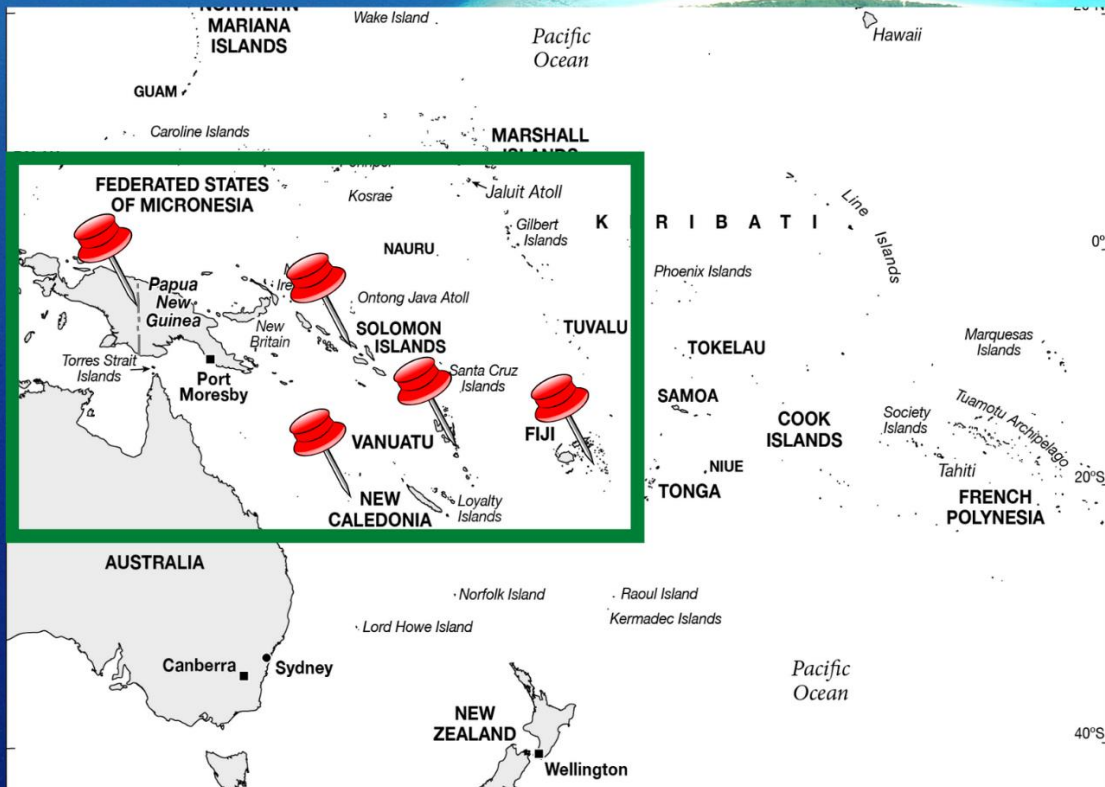
MEMBERS

**FIJI, FRONT DE LIBERATION NATIONALE KANAK ET SOCIALISTE (FLNKS) OF
NEW CALEDONIA, PAPUA NEW GUINEA, SOLOMON ISLANDS AND VANUATU**

**ASSOCIATE MEMBER
REPUBLIC OF INDONESIA**

OBSERVERS

**DEMOCRATIC REPUBLIC OF TIMOR-LESTE (DRTL)
UNITED LIBERATION MOVEMENT FOR WEST PAPUA (ULMWP)**



WAY FORWARD

VISION

Excelling together
towards a progressive
& prosperous
Melanesia

MISSION

To serve our Members
with dedication
and integrity

GOAL

To facilitate mutual cooperation &
dialogue to enhance Membership
solidarity, encourage Members to
promote a region that is stable, peaceful
and safe & encourage our Members to
implement policies to achieve sustained
improvements in livelihoods

VALUES

We are an organisation that exists for the sole purpose of serving the interest of our Members, bearing in mind our:

- Melanesian heritage;
- Diverse cultures;
- Obligations for the promotion of a peaceful and safe environment;
- Aspirations to improve the livelihoods for all our citizens, especially our women and youth; and
- Commitment to advance the protection of human beings.

OBJECTIVES

- Provide sound policy and technical advice;
- Facilitate the implementation of Member's decisions;
- Advocate Members' collective interests in regional and international fora; and
- Efficient management of resources to serve our Members.

IN THIS CONTEXT WE ARE

- God-fearing and embrace Christian principles;
- Dedicated, responsible and fair;
- Responsive, respectful and protecting the interests of our Members;
- Innovative, smart, technically-capable and hardworking;
- Caring of our people and our properties; and
- Law-abiding and sensitive to the needs of the Host Country

Background

Melanesian Spearhead Group

The Melanesian Spearhead Group (MSG) was established during an informal meeting held in Goroka, Papua New Guinea on 17 July 1986. The meeting was attended by the Prime Ministers of Papua New Guinea (Paias Wingti), Solomon Islands (Ezekiel Alebua), and Vanuatu (Fr Walter Lini), as well as a representative of the *Front de Libération Nationale Kanak et Socialiste* (FLNKS) of New Caledonia.



The meeting was driven by these leaders' vision, backed by a strong and shared political desire, for the entire decolonization and liberation of Melanesian countries and territories which were still under colonial rule in the South Pacific, thereby developing a stronger cultural, political, social and economic identity and link between the people and communities of Melanesia. The Leaders agreed at their inaugural meeting that it was important to have common positions and solidarity in spearheading regional issues of common interest, including the FLNKS cause for political independence in New Caledonia.

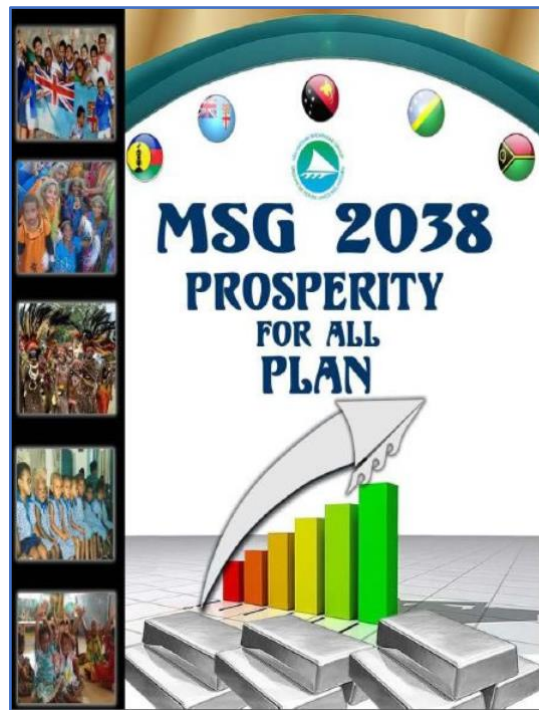
Two years later, on 14 March 1988, the MSG Agreed Principles of Cooperation among the Independent States in Melanesia was signed in Port Vila, Vanuatu by the founding MSG Members, namely Papua New Guinea, Solomon Islands and Vanuatu. FLNKS formally joined in 1989 and Fiji was admitted as a Member in 1996, following the conclusion of the MSG Trade Agreement (MSGTA). The MSG has developed into a regional block with its own Trade Agreement, which was revised in 2005; the Agreement Establishing the MSG, which was signed on 23 March 2007 and revised in 2015; and its own headquarters, which was opened during the 17th Leaders' Summit on 30 May 2008.



In 2011, the MSG admitted the Democratic Republic of Timor-Leste (DRTL) and the Republic of Indonesia as Observers to the MSG. Later, in 2015, the Republic of Indonesia was accorded Associate Membership representing the five Melanesian Provinces of Indonesia, while the United Liberation Movement for West Papua was admitted as an Observer. The Chairmanship of the MSG rotates every two years among Members.

MSG 2038 Prosperity for All Plan

The MSG 2038 Prosperity for All Plan was formulated by the MSG Eminent Persons Group (EPG) in 2013 following their review of the MSG over 25 years, since its establishment in 1988. The EPG consisted of Chairman, Kaliopate Tavola representing Fiji; Solomon Islands Member of Parliament, Manasseh Sogavare; Vanuatu MP, Joe Natuman; Roch Wamytan representing the FLNKS of New Caledonia; and Leonard Louma OBE, representing Papua New Guinea. The review entailed a Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis, with MSG-wide stakeholder consultations and rigorous tests to define priorities and develop common objective interests. The outcomes facilitated the mapping out of a new vision, mission, direction and plan for the Melanesian sub-region over the next 25 years up to 2038. The vision of MSG under the MSG 2038 Prosperity for All Plan is *An MSG community that is democratic, strong, integrated, enlightened, happy, prosperous, secure and caring*, which is to be pursued through the four noble objectives of Political Stability, Economic Prosperity, Social Equality and Inclusivity, and Sustainable Development.



MSG Secretariat

The office of the MSG Secretariat in Port Vila, Vanuatu, was officially opened on 30 May 2008. It is headed by the Director General, who is responsible for the implementation of Leaders' mandates and for directing and coordinating policies within the framework of the MSG 2038 Prosperity for All Plan. The governance structure of the MSG consists of the Senior Officials Meeting (SOM) which reports to the Foreign Ministers Meeting (FMM) and ultimately to the Leaders' Summit as the Governing Body.



The services provided by the MSG Secretariat include:

- Providing policy advice to Leaders, through Foreign (and other) Ministers, Senior Officials, Technical Committees and Sub-Committees;
- Servicing technical meetings and those of Constituent Bodies, i.e. Technical and Economic Officers Meeting (TEOM), Senior Officials Meeting (SOM), Foreign Ministers Meeting (FMM) and the Leaders' Summit;
- Initiating policy proposals and undertaking initiatives based on directives by the Leaders;
- Developing and implementing the annual work program with budget; and
- Implementing priority areas identified in the Corporate Plan.

The Director General is supported by the Deputy Director General and the Program Managers, Advisors and Officers of the following five Divisions: Corporate Services; Political and Security Affairs; Trade & Economic Development; Environment, Climate Change & Natural Resources Management; and the Arts, Culture, Sports and Youth Programme. The working languages of the Secretariat are English and French.

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Message from the Chair



This year marks another important milestone as we reflect on the challenges that 2021 has provided to us and the MSG Region.

The year also witnessed COVID 19 creeping through our fortified borders and into Fiji, Papua New Guinea and New Caledonia. This was a testament that the virus is infectious if left unguarded and can penetrate even by a small margin of error.

It was a sad reality that many of our people have experienced loss. My heartfelt condolences to those individuals and families who experienced these ordeals. Despite these challenges, I am comforted and encouraged to acknowledge the steadfast and resilient fight which we as Melanesians have accomplished to withstand the prevailing challenges of COVID 19.

Countless stories of such courage stretch across our entire region and those of us who are fortunate to experience these moments of our history will surely live on to tell these stories of courage and resilience to the next generation. I believe the message of hope still prevails, as our region continues to uphold and enjoy the democratic system of government, with functional and independent judiciaries, robust political systems and respect for the rule of law.

As a Group, we must seize all economic opportunities that come our way, and use them to our advantage to provide for all of our people, both today and for the generations to come. This means creating opportunities for growth through strategic economic partnerships with willing and trusted partners.

While globalization has its own merits, as a Group we must not allow external forces to dictate the direction we take, but use them to better understand the pathways we undertake to reach our destiny. We must invest in technology and embrace innovation and be relevant to the changing global and business landscape.

Post COVID recovery is vital for our economies, and we must ensure that the right services are available in the right places to meet the needs of all our people. We must provide market opportunities, empower our people and open up the MSG region to the world. Fortitude is crucial to address the development challenges of the earth's most geographically and culturally diverse region.

Our solidarity and residue in the global fight for a greener and bluer planet must continue unabated. Our small island states are the innocent victims of the existential climate change crisis created by the developed countries. Hence, our bold stand with other small Pacific Island states for net zero emissions and zero excuses from the Global North should emanate as our own blueprint to the world in the fight for climate justice.

Finally, the emancipation of our Melanesian people in New Caledonia against and political subjugation and human rights violations against our peoples shall continue to be the cornerstone of our efforts as a Group.

May God continue to richly bless the MSG Region from shore to shore.

Hon. James Marape MP
Prime Minister of the Independent State of Papua New Guinea
& Chair of the MSG

Acting Director General's Foreword



Mr George Dan Hoa'au

It is my pleasure to present to you the 2021 Annual Report. It covers work we have done in the service of our members in the last twelve months. What we continue to do is only possible because of the support which we have been given by our members, friends and partners. So, I'd like to thank them, sincerely.

On behalf of the MSG Secretariat, we would like to convey our most profound gratitude to our members and friends, and particularly our host, Vanuatu, for the support and encouragement which they have continued to offer to us during this COVID era.

The many lessons observed so far point to a future which has already occurred. The question is how as an organization should we engage, embrace it and factor it into our work for next year and beyond.

A major takeaway is that the usually referred to "out-of-the-box thinking" is not good enough in a leadership context. And one of the reasons for this is that while it is tempting to measure our progress against our usual boxes (ways of doing work and expending resources), in many unconscious and subtle ways this approach no longer serves us well. Cautiously, the old ways remain in our sight, and not outside or out-of-sight, with new organizational inward reflection required.

I am of the view that the current challenges will open opportunities to a vast array of re-alignments, and refinement of partnerships, which will guide how we serve our members next year. On one hand, they test the limits of who we are and what we can be, but conversely, they encourage an organizational adaptability to maintain focus to the mandates that still define us as the Melanesian Spearhead Group.

The sum of the above is that what we have observed and are going through is an important guiding mirror for our organization. As well, it is like an outside map for guiding our annual work programs.

The challenge, informed by lessons learned, is to explore the creation of new boxes for us to think and operate from. It is not simple, but rewarding if we dare to pursue this in partnership with our members and with the resources we have, and if we take time to challenge ourselves to think anew.

I realise also that the events of this year have challenged our leaders' ability to pursue the appointment of a new Director General, but I am sure that a new Director General will be appointed soon. So, it was an honour to be serving Melanesia at the MSG Secretariat as the Acting Director General since March 2020. I'd like to thank members and staff at the Secretariat for the support they have given me and I look forward to giving my very best to working with the new Director General.

I hope you will find this Annual Report useful for its intended purpose.

God bless Melanesia.

Brief Highlights of the Year

MSG Farewells Long-Serving Staff Member

The Melanesian Spearhead Group (MSG) Secretariat farewelled a long-serving senior staff member at a private function. Ms Monica Abau-Sapulai, who is from Papua New Guinea, had served at the MSG Secretariat as its Information Technology and Website Officer (ITWO) for nine years.

Speaking at her farewell, Acting Director General (ADG) Mr George Hoa'au, said the Secretariat was indebted to her, adding that her contribution to the Secretariat and the MSG region is highly valued, particularly as the custodian of information.



Ms Monica Abau Sapulai with colleagues cutting a cake during her farewell tea at the Secretariat



ADG George Hoa'au presenting Ms Sapulai's Certificate of Service

“You have given your very best to our region, and you have my uttermost respect,” he said. Manager Corporate Services, Mr John Palmer, also commended Mrs Sapulai’s commitment, dedication and sacrifice during her term at the Secretariat.

In response, an emotional Mrs Sapulai acknowledged ADG Hoa'au for the opportunity to serve the region, saying that she had indeed learnt a lot and most of what she had been able to grasp during her tenure are now life-long lessons. She also acknowledged other former staff of the Secretariat.

“As a part of Melanesia, I will always carry it in my heart and consider myself blessed to have served at our Secretariat. You all have become family,” she said.

MSG Darts Team Claim 2nd Prize

The MSG Secretariat Dart team scooped the second place in the Port Vila Darts Competition after going down to NF Jets by one point.



MSG Secretariat Dart Team in ordinary uniforms after the Port Vila Dart finals

While the competition was a tough one, the team acknowledged the support of the MSG Social Club, adding that they managed to pull through to the end with sheer determination.

Chairman of the MSG Social Club, Bill Henry, said it was encouraging to see the MSG Secretariat's participation in such initiatives and it will continue to push for the same in other sports.

"We are already having dialogue with the Port Vila Business Houses Mixed Beach Volleyball competition and MSG should have a team participating in next year's Business Houses Sports Program," he confirmed.

The team captain of the MSG Darts Team, Christopher Waiwori, thanked the team for the outstanding season and encouraged them to focus with the same energy in the next year's season.

The MSG Social Club was established by the MSG Staff to assist in the welfare of staff as well as to encourage them to engage in sports, health and fitness activities.

MSG Christmas Picnic – A true reflection of the MSG Family

Staff of the MSG Secretariat ended 2021 with a bang, with a day full of organised games, dances and singing with lots of foods, spent with their families at Gideon's Landing in Port Havannah.



MSG Secretariat staff and families at the 2021 Christmas Picnic, Gideon's Landing, North Efate

Acting Director General George Hoa'au, thanked the staff for their contributions and in particular their resilience in their respective roles, despite the challenges brought about by COVID19.

He also commended staff for their teamwork and efforts in ensuring that the Secretariat continued to effectively deliver the mandates of MSG Leaders in serving its Members.

A word of acknowledgement was also accorded to the families of staff for their support throughout the year.

As part of the day's program, children excitedly received their gifts from Santa and enjoyed games that had been organised by the Staff Social Club.

Programs and Initiatives

The Executive

The role of the Executive is to provide responsible oversight of all policy, management and implementation activities. The Executive is also responsible for monitoring and evaluation of the Secretariat's Work Program and Budget and to ensure an effective media and communication platform to promote visibility of the Secretariat's work regionally and globally.

The Executive is also responsible to ensure regular and ongoing dialogue with Members. The Executive has ensured that Members are updated regularly on the status of all work programs at the MSG Secretariat.

The appointment of the new Director General continued to be an outstanding issue and the Executive ensured that the approved processes of appointment of the new Director General were safeguarded and respected. It is anticipated that the new Director General will be appointed early next year. In the meantime, Mr Hoa'au continued in his acting capacity to perform the functions of the Director General's office.

Some of the main initiatives undertaken by the Executive include the following items.

Cooperation Partnership discussed with the PRC Embassy

The MSG Secretariat and the Government of the People's Republic of China discussed entering into a cooperation partnership.

Officials from both the MSG Secretariat and the PRC agreed to continue with discussions, and to further strengthen collaboration between the MSG Secretariat and the PRC. The meeting was the first in a series of meetings that the MSG Secretariat had planned to undertake during the year in its effort to establish a network of strategic partners to assist the work of the MSG Secretariat, especially in addressing the ongoing challenges posed by COVID19.

These discussions led to the development of a draft framework for cooperation between the MSG and the PRC. The draft framework centered on some specific areas of capacity building, including technical and policy support. The partnership discussion with PRC was premised on the fact that all MSG members now have diplomatic recognition of China, including the one China policy.

The MSG Leaders have mandated the office of the Director General to establish official Cooperation Partnerships with any party or agency deemed beneficial. Hence, in late 2020, the MSG Secretariat commenced discussions with the PRC Embassy in Port Vila.



Counsellor Lin Bin from the Chinese Embassy and the MSG Secretariat Staff during the lunch meeting in Port Vila

MSG meets with Japanese Embassy

The Melanesian Spearhead Group (MSG) Secretariat received a courtesy call from the Japanese Ambassador Extraordinary and Plenipotentiary based in Vanuatu, His Excellency Chiba Hirohisa, and a Counsellor at the Japanese Embassy, Harada-Miguchi Natsuko.

During the meeting the Ambassador was updated on the progress of the implementation of the Memorandum of Cooperation to operationalise the MSG Roadmap for Inshore Fisheries Management & Sustainable Development 2015-2024, which had been signed with the Japan International Cooperation Agency (JICA) in September 2020.

It must be noted that JICA remained the only international technical partner that has a formal cooperation agreement with the MSG Secretariat that is specific to fisheries. The Secretariat hoped to strengthen the partnership with JICA, so that useful lessons and best practices of the Grace of the Sea Project in Vanuatu can be transferred to the other MSG Member countries.



From L-R: H.E. Chiba Hirohisa and Counsellor Harada-Miguchi; George Hoa'au, Acting Director General and Chris Waiwori, Senior Executive Advisor

Farewell to Grand Chief Sir Michael Somare, GCL GCMG CH CF SSI KStJ KSG PC

The MSG Secretariat, in collaboration with the Vanuatu Ministry of Foreign Affairs, undertook a week-long “Haus Krai” commemoration to honor and show MSG solidarity with the people and Government of the Independent State of Papua New Guinea on the passing of the late Grand Chief Sir Michael Thomas Somare on Friday 26 February 2021. The Haus Krai was opened for a week from Friday 4 March to Friday 12 March.

A Haus Krai is a symbol of grief in Papua New Guinea culture, and a designated area within the MSG Secretariat was demarcated for the public to pay their respects. During the week-long Haus Krai, the public and the wider MSG community came to the MSG Secretariat to lay wreaths and sign the Condolence book.



The poster features a white dove with wings spread, carrying a golden cross. Above the dove is the Melanesian Spearhead Group logo, which includes a map of the region and the text 'MELANESIAN SPEARHEAD GROUP' and 'GROUPE DES DE LANCE MELANESIEN'. To the left of the dove is the flag of Papua New Guinea. Below the dove are the flags of the United Kingdom, Vanuatu, Solomon Islands, Papua New Guinea, and Tonga. A black banner at the top right reads 'MOURNING PROGRAM'. Below this, the text reads: 'For the Late Grand Chief, Sir Michael Thomas Somare, One of the Founding Fathers of the Melanesian Spearhead Group and Founding Prime Minister of the Independent State of Papua New Guinea'. At the bottom right, another black banner reads: 'MSG Secretariat Haus Krai Venue : MSG Secretariat Building Friday 5 – Friday 12 March 2021'. On the left side, there is a portrait of Sir Michael Thomas Somare, a man with glasses and a goatee, wearing a white floral shirt. Below the portrait, the text reads: 'Sleep & Take Your Rest Late Grand Chief Sir Michael Thomas Somare 1936 - 2021'.

The Deputy Prime Minister of Vanuatu, Honourable Alatoi Ishmael Kalsakau MP officially opened the Haus Krai. The official opening of the Haus Krai on Friday 4 March commenced with the official laying of wreaths at the MSG Secretariat Headquarters.

The MSG Secretariat also prepared materials and visual documents of the late Sir Michael Somare, containing a brief history of the founding Father and long-serving Prime Minister of the Independent State of Papua New Guinea.

In a short traditional ceremony led by the Malvatumauri Vanuatu National Council of Chiefs, the Prime Minister of the Republic of Vanuatu, Honourable Bob Loughman Weibur MP officially closed the Haus Krai on Friday 4 March.

Gifts of traditional mats and artifacts presented during the week-long commemoration were later shipped by the Secretariat to the wife and family of the Late Sir Michael Somare in Papua New Guinea.



Vanuatu PM Hon. Bob Loughman Weibur (second right) and the President of the Malvatumauri National Council of Chiefs (second left) paying their respects

French Ambassador to Vanuatu and the Solomon Islands visits MSG

The Secretariat received a courtesy call from the French Ambassador to Vanuatu and Solomon Islands, His Excellency Pierre Fournier.

Ambassador Fournier was warmly received by the Acting Director General of the MSG Secretariat George Hoa'au, who was accompanied by his Senior Executive Advisor, Christopher Waiwori.



French Ambassador to Vanuatu, H.E. Fournier meeting with ADG Hoa'au

The courtesy meeting allowed for an update on the progress of the implementation of the Noumea Accord. H.E. Fournier said that in light of the third and upcoming independence referendum in New Caledonia, the French Government has invited all parties (signatories to the Noumea Accord) to Paris for further dialogue.

The Secretariat was updated of the ongoing engagement of French Government in continuing to encourage dialogue between the parties concerned.

It is acknowledged that the MSG Secretariat will continue to render support to the FLNKS, in line with the original mandate by Leaders and the 2018 Action Plan adopted by Leaders in Port Moresby, Papua New Guinea in 2018.

As a founding member of MSG, the Kanak and Socialist National Liberation Front (FLNKS) struggle for the right to self-determination was one of the main reasons for the establishment of the Group.

Financial Implications and Governing Body Meetings

The MSG Senior Officials Meeting (SOM) convened virtually on four occasions after its last sitting in February 2020. The inaugural virtual SOM took place on Monday 29 March, with further meetings in April and May, and a Special SOM was convened in November. The inaugural virtual meeting was well attended by Members, including the Associate and Observer Membership. Several important policy decisions were endorsed out-of-session. SOM also took the opportunity to discuss and endorsed the Troika Recruitment Report on the appointment of the MSG Director General through a closed session in the virtual room only for the full membership.

SOM further tasked the MSG Secretariat to revise and reprioritize the 2021 Work Program and Budget, for it to be re-tabled for the consideration of SOM in the next virtual SOM on 12 April 2021. This proposed revision included providing SOM with the necessary options and scenarios for operationalising the revised 2021 Work Program and Budget, including the review of Members' annual assessed contributions, in light of the challenges posed by COVID19.

The SOM reconvened on Wednesday 28 April and deliberated on the revised Work Program and Budget, including the necessary options and scenarios. Another issue that was considered was the question regarding the participation of the Observer as a non-contributing Member of MSG, especially to observe discussions relating to the Work Program and Budget of the MSG Secretariat.

On the issue of the participation of the Observer, the SOM noted that since there were sensitive issues to be discussed under the agenda item relating to the Work Program and Budget, it would be appropriate that only contributing Members be allowed to participate in the discussions. Hence, the SOM agreed by consensus to allow the Observer to sit in SOM and observe without making any interventions, and for the Observer to be excused from Observing the Work Program and Budget session discussions.

The SOM deliberated on the revised 2021 Work Program and Budget, including the five options provided by the Secretariat, and concluded that the revised budget needed more detail and attention. SOM recommended a reduced budget with specific costings, and discussions included the development of a biennial budget, and that the assessed contribution formula should be reviewed.

Hence, the SOM recommended the establishment of an Ad Hoc Working Group (WG) made up of Senior Officials of Members, to work closely with the Secretariat to further revise the 2021 Work Program and Budget, including the five options, for it to be more realistic and practical, based on the current circumstances faced by Members. A reduced 2021 Work Program and Budget was to be submitted for the consideration of the SOM.

The MSG Ad Hoc Working Group was to look at three essential recommendations, noting the progressive work of the Secretariat. The three recommendations were:

- i. Review the details of the 2021 Work Program and Budget in relation to the five options provided by the Secretariat, including a review of the Assessed Contribution Formula, in light of COVID19 and its impact on Member country economies;
- ii. Review and reprioritize the work programs and activities of the Secretariat, to be pragmatic and realistic; and
- iii. Consider and advise the SOM on the merits of adopting a multi-year budget model, to provide better funding predictability, noting the different fiscal year cycles of Members.

Findings of the Ad Hoc Working Group

1. The Five Options

The Ad Hoc Working Group convened and deliberated virtually on Friday 7 May and Monday 10 May 2021, and concluded with the understanding as follows:

- i. each of the five options were geared towards a gradual reduction in funding and budgetary allocations for program activities projected for 2021 in response to a possible change to Members' Assessed Contributions for 2021;
- ii. the bare minimal budget can sustain the operation of the Secretariat at least through these challenging times posed by COVID19; and
- iii. the proposed minimal budget proposed by the Ad Hoc Working Group corresponds to the level of cost-cutting provided by the Secretariat.

Hence, the Ad Hoc Working Group resolved and recommended, from the five options provided by the Secretariat during the 2nd Virtual SOM, the most feasible and favourable option that will enable the Secretariat to function with at least a minimal operational budget.

2. Membership Assessed Contributions & Review

The Ad Hoc Working Group deliberated on the advice rendered by the Secretariat and concluded that:

- i. any Assessed Membership Contribution below 30% across the board for all Members will not be feasible for the Secretariat and will affect all the operations of the Secretariat, including possible redundancies and loss of jobs, that will result in more costly settling of contractual obligations;
- ii. the proposal for an equal Assessed Contribution for Members across the board will disadvantage some Members by having to pay more than their usual current Annual Assessed Contribution;
- iii. any proposed Assessed Contributions must be done in consideration of the proposed budget allocation based on the cost-cutting options; and
- iv. the Annual Membership Assessed Contribution Formula will be suspended temporarily to take into consideration the impact of COVID 19 on Members' economies.

The Ad Hoc Working Group re-assessed these provisions and based on assurances by Members it was agreed to recommend to the SOM that the Annual Membership Assessed Contributions formula be suspended to allow for a temporary formula as follows:

- (i) Fiji and Papua New Guinea to pay a 30% reduced Assessed Contribution for 2021; and
- (ii) Solomon Islands, Vanuatu and Associate Member Indonesia to maintain 100% Assessed Contribution Payment for 2021.

3. Review and Reprioritization of the 2021 Work Program and Activities

The Ad Hoc Working Group deliberated on the advice rendered by the Secretariat and concluded that:

- i. the cost-cutting options provided by the Secretariat will not affect the program activities for 2021; and
- ii. the programs of the Secretariat will be implemented via virtual means, so as not to lose sight of their significance to Members and the Leaders' Mandate.

Hence the Ad Hoc Working Group resolved and recommended to maintain the program activities as established for 2021.

4. Consideration of adopting a multi-year budget model

The Ad Hoc Working Group deliberated on the advice rendered by the Secretariat and concluded that:

- i. based on the fiscal year cycles of Members, it was prudent that options for a multi-year budget model be developed for the consideration of the SOM;

- ii. any development of a multi-year budget model will be based on current budget projections and stretched out on a multi-year timeframe.

Hence, the Ad Hoc Working Group resolved and recommended that a multi-year budget model was feasible and that the MSG Secretariat's Financial Regulation provisions would need to be reviewed to accommodate a Multi-Year Budget Model.

Meeting of SOM (19 May 2021)

The 3rd Virtual SOM convened on Wednesday 19 May and deliberated on the Report of the Ad Hoc Working Group of the 2021 Revised Work program and Budget presented by the Chair of the Ad Hoc Working Group and resolved as follows:

- (i) **recommended** to FMM to **approve** the revised reduced MSG Secretariat 2021 Work Program and Budget based on the cost-cutting options;
- (ii) **recommended** to FMM to **suspend** the Assessed Contribution (AC) Formula for 2021 to ensure that Fiji and PNG have a 30% reduction in Annual Assessed Contribution while Solomon Islands, Vanuatu and Indonesia's assessed contribution would remain unchanged;
- (iii) **recommended** that the FMM approve for the Secretariat to amend its Financial Regulations to incorporate a two-year financial projection in the Annual Budget;
- (iv) **recommended** for the immediate appointment of the new Director General of the MSG;
- (v) **encouraged** the Secretariat to reassess and reprioritize its plans to align to the needs and priorities of Members, ensuring complementarity in the work of the MSG with that of other existing bodies and frameworks in the region and **tasked** the Secretariat to produce the 2021–2023 Corporate Plan aligned to the Work Program as well as the needs and priorities of Members; and
- (vi) **agreed** to the need for reforms of the Secretariat which would include a review of its systems and processes; streamlining activities for better delivery of the Leaders' mandate; regular monitoring and evaluation; and ensuring right-sizing and staff capacity that would complement the new realignment efforts.

Meeting of the Special SOM - 24 November 2021

The Special SOM was convened virtually on 24 November to purposely deliberate on the 2022 Work Program and Budget, including the update of the third Referendum of Independence in New Caledonia.

The Special SOM resolved as follows:

- i. endorsed the 2022 Work Program and Budget;
- ii. agreed to have an MSG Observer team to observe the 3rd Referendum in New Caledonia upon the invitation by the Government of New Caledonia; and
- iii. agreed for the MSG Leaders to make a joint statement as a sub-regional grouping calling on France to reconsider their decision and adhere to the call made by FLNKS to defer the 3rd Referendum in New Caledonia to September 2022 to allow for normalcy to return and then conduct the Referendum in a more transparent and accountable manner.

MSG FMM Virtual Out-Of-Session Endorsement & Approval

Since the MSG FMM could not meet virtually, the option for an out-of-session endorsement was invoked particularly from the Office of the FMM Chair to ensure immediate progress. On 26 November 2021, the FMM Chair wrote a letter to all members of the MSG FMM requesting an out-of-session endorsement by the FMM before the deadline, being 15 December 2021. The request for the FMM out-of-session endorsement was particularly in regard to two urgent matters:

- i. The approval of the 2021 and 2022 Work Program and Budget of the MSG Secretariat; and
- ii. The endorsement of the Troika Report for the consideration of the MSG Leaders.

On 16 December, after the deadline had lapsed, the FMM Chair consulted the Secretariat and was satisfied that there were no objections or comments received from Members to the Chair's Office nor to the Secretariat. The MSG Chair, through a letter circulated to all FMM Members on 23 December 2021, made the following decisions:

- (a) Approved the 2021 and 2022 Work Program and Budget of the Secretariat; and
- (b) Endorsed the Troika Report on the Recruitment of the Director General for the consideration of the MSG Leaders.

Prioritizing Strategic Partnerships

Pursuant to the MSG SOM Outcome of 29 March 2021, coupled with the ongoing financial challenges to members posed by COVID 19, the Secretariat was requested by the SOM to develop a paper on strategic partnership frameworks with development partners. This was necessary in order to ensure that the Secretariat could expedite the process of engaging with potential development partners and donors to assist Members to provide required support to the ongoing work program and budget of the MSG Secretariat and to complement and assist members' priorities.

A strategic partnership framework was developed and presented to the SOM with a two-fold proposal for implementation:

- a) To subsidise Members' contributions to the operation of the MSG Secretariat through a budgetary support facility specifically under a quasi-endowment arrangement for the MSG Secretariat Institutional Strengthening and Capacity Development; and
- b) To provide for greater collaboration and cooperation for specific multilateral project development and implementation. The MSG Secretariat's priority areas as mandated by its Leaders are as follows: Climate Change and Environment, Regional Security, Fisheries, Forestry, Arts and Culture, Youth and Sports, Trade and Economic development, Shipping and Transportation, Scholarships and Training, Pre and Post-COVID seven-point plan, and Airlines and Tourism. In all activities, the MSG Secretariat will strive to improve and advance the livelihoods and economies of the Melanesian people and the region as a whole.

The Secretariat had commenced the consultation process in 2021 with several potential partners, including:

- JICA, through an MOU to operationalize the MSG Roadmap for Inshore Fisheries Management and Sustainable Development 2015-2024;
- KIWA initiatives with the United Nations Office for Program Services (UNOPS) on Women and Youth Entrepreneurship for Biodiversity projects for PNG, Fiji, Vanuatu and New Caledonia;
- National Democratic Institute (NDI);
- Trade Facilitation Component of the EDF11 PRISE to be implemented with UNCTAD etc.;
- Ongoing dialogue with the People's Republic of China, through its Embassy in Port Vila; and.
- Other ongoing dialogue with potential development partners including with the Governments of Australia and New Zealand.

In the medium to long term, the plan was to establish a specific "project coordination unit" within the Secretariat that will be purely responsible for drafting project proposals and sourcing additional financial and technical support towards the Secretariat's work program, in line with the priorities of the membership. This proposed new unit will be considered in the drafting of the new Corporate Plan.

Operationalizing the MSG Roadmap for Inshore Fisheries

The implementation of the MSG Roadmap for Inshore Fisheries Management and Sustainable Development 2015–2024 was made possible through the Memorandum of Cooperation signed between the MSG Secretariat and JICA on 2 September 2020.

The 1st Virtual Technical Meeting of MSG Fisheries Officials was conducted on 26 February. Following the signing of the Memorandum of Cooperation (MOC) with JICA on 2 September 2020, the MSG Secretariat has been in consultation with officials from JICA and has developed a draft action plan whereby the lessons learned from JICA's Grace of the Sea Project in Vanuatu can be shared with members.



The Inshore Fisheries roadmap had been initiated in 2012 and was approved and signed by the MSG Leaders in 2015. The roadmap aimed to develop strategies for the protection and sustainable development of inshore fisheries.

With its focus on the sustainable development of inshore fisheries and aquaculture development, the roadmap encouraged resource owners in their communities to sustainably manage and conserve fish stocks using community-based approaches that provide long term economic, social, ecological and food security benefits to Melanesian communities.

The majority of Melanesian communities rely heavily on coastal fisheries for food security and economic benefits. In times where our economies are severely affected by the current Covid-19 pandemic, such undertakings are crucial in enabling coastal communities to be self-reliant and resilient.

The discussion with JICA to operationalize the MSG Roadmap for Inshore Fisheries Management and Sustainable Development has been ongoing since 2016. It has benefitted from JICA's vast wealth of experience and investment in the MSG region in the areas of sustainable development, especially inshore fisheries management.

Under the signed MOC, the MSG Secretariat and JICA have agreed to:

- co-develop and organize national and regional training programs;

- execute reciprocal invitations;
- exchange information and documents;
- reciprocate in the use of resources and facilities; and
- coordinate technical cooperation.

The objectives of the MOC include:

- implement effective policies, legislation, management frameworks and financing mechanisms for all stakeholders;
- conduct education, awareness raising and the provision of information on the importance and management of inshore fisheries; and
- manage, maintain and restore fisheries stocks to secure long term economic and social benefits to coastal communities.

In line with the MSG Roadmap for Inshore Fisheries, the Grace of the Sea project was a community-based coastal resources management approach that sought to improve the livelihood of coastal communities, through sustainable and conservation means, as well as promoting economic livelihood activities.

The livelihood improvement activities include the introduction of Fish Aggregating Devices (FADs), making shell crafts by women's groups, collaboration with tourism agencies, development of aquaculture, organization of fishery cooperatives and the improvement of distribution and increased added value through food processing and so on.

It was anticipated that the lessons learnt in Vanuatu would be captured in the formulation of regional guidelines of good practices to be shared with other MSG Members as examples of best practices which they can utilise.

MOU for Vanuatu VIPAM and Papua New Guinea PILAG

The MSG Secretariat hosted a signing ceremony of a Memorandum of Understanding (MOU) between the Vanuatu Institute for Public Administration and Management (VIPAM) and the Pacific Institute of Leadership and Governance (PILAG) based in Papua New Guinea.



Vanuatu Officials from VIPAM and the PSC after the signing ceremony with PILAG

The Vanuatu Public Service Commission (PSC), under its Vanuatu Institute of Public Administration and Management (VIPAM), reached an agreement with PILAG in Papua New Guinea in February at the Melanesian Spearhead Group (MSG) conference room to enable Vanuatu public servants to participate in trainings provided by the Pacific Institute of Leadership and Governance (PILAG).

The Acting Secretary General of the PSC and at the same time head of VIPAM, James Melteres, said it was a historical moment for the institutions and a special occasion that symbolizes the spirit of Melanesia as Wan Solwara in achieving training together in upskilling public servants through trainings that PILAG will be offering to the PSC through VIPAM. He said VIPAM has a role to play in upskilling senior executives and providing other lower-level public servants' trainings, thus it has sourced PILAG to provide this.

The Vanuatu Human Resources Development Plan has identified skills gaps which should be addressed by the Government in order to upskill its workers in areas of leadership and management and to support training also for the senior executive levels.

Such an approach would provide opportunities not only for the sharing and learning of best practices, but also to strengthen inter-regional relationships and networking. The MSG Secretariat offered a good platform whereby MSG inter-connectivity can be organized, by linking other training service providers with similar mandates in the region.

The Secretariat anticipates that this initiative would in the medium to long-term strengthen people-to-people exchanges, and establish an MSG regional forum to share knowledge, experience and best practices, as well as fostering initiatives such as an Exchange Program for Public Servants across the MSG Membership through secondment, internship and apprenticeship.

The forged partnership also provided an opportunity to consider the possibility of the formation of Working Groups of Public Service Ministers and Education Ministers from MSG Members.

Post-COVID 19 rehabilitation programs

The Executive firmed up an initial five-point plan developed in 2020, reviewed it and renamed it as the MSG 7s. This plan is geared towards the need to ensure that the MSG has a collective and common agenda towards post-COVID recovery. It was presented to the Governing Body meeting, and in its resolution in June 2021, the Governing Body called for greater collaboration as a Group to address the negative impacts of COVID 19. Members envisioned initiatives whereby resources could be pooled together to regenerate socio-economic activities in the Melanesian sub-regional bubble.

In pursuit of a common sub-regional recovery mechanism, the need to forge cooperation through strategic development partnerships was highlighted as a catalyst. The MSG 7-Point Plan is a special project aimed to create an MSG hub that will enable the development of common protocols by Members against which the Melanesian sub-regional bubble can be operationalised.

This MSG hub will be responsible for pooling, facilitating, resourcing, coordinating and communicating collective actions. The establishment of the hub will be based at the MSG Secretariat in Port Vila, and will perform the implementation and coordination role in close consultation and collaboration with Members.

Established under the direct supervision of the Office of the Director General, the hub will be known as the COVID 19 Coordinating Office. The plan was that the coordination office will be equipped with its own technical staff and operating budget.

Corporate Plan 2021–2025

Since the expiry of the previous Corporate Plan in 2020, no serious work was done to draft the succeeding Corporate Plan. It was considered appropriate to leave this until the appointment of the new Director General, was completed and in place. Corporate Plans are predominantly tagged with the vision and plans of the sitting Director General.

In-house Monitoring and Evaluation of Annual Work Program and Budget

One of the important roles of the Executive is to monitor the progress of the Secretariat's annual work programs and budget. A monitoring and evaluation template was produced and circulated to all Programme Managers to assist them monitor and track progress in their respective programmes in accordance with the approved outcomes.

To properly track progress, the Executive organised a mid-year review and monitoring process in July to get updates and provide projections for the next six months from all the programs.

Following the mid-term review, it was interesting to note that there was progress made in all programs, despite the fact that activities were not strictly consistent with those as approved in the 2021 annual work program and budget. COVID 19 challenges have required Program Managers and responsible Officers to improvise and advance their programs by capturing other low-hanging fruits as important aspects of their stated activities and to implement whatever initiatives became possible.

Political and Security Affairs

The Political and Security Affairs program is responsible for monitoring political and security developments in the region. The work activities for the program in 2021 were derived directly from the “MSG 2038 Prosperity for All Plan” and the Corporate Plan 2016-2021 towards the shared vision of political stability, lasting peace and unity.

In 2021, this program also managed the Governance and Legal Services program of the Secretariat, following the resignation of that program’s manager. As such these two programs together are responsible for providing political, legal, and security advice internally to the Secretariat as well as externally to the members.

The key strategic priorities of the programs in 2021 continued from previous years, containing mostly ‘process-orientated outcomes’ to measure deliverables. The activities delivered in 2021 directly corresponded to each of the strategic priorities aimed to implement specific Leaders’ Mandates.

Political and Security Affairs program

- (i) democratic processes supporting elections;
- (ii) membership Issues;
- (iii) assistance to the FLNKS;
- (iv) peace and security.

Governance and Legal Services program

- (i) governance issues;
- (i) legal services.

It should be noted that implementation of the above priorities was dictated to some extent by the available resources both in terms of finance and human resources of the Secretariat as well as the ongoing challenges posed by COVID 19. In some cases, the efficient delivery of services was hampered by the lack of political will and information exchange between Members and the Secretariat. Despite these challenges, the program was able to achieve steady progress in implementing some key activities.

Democratic Processes Supporting Elections

Implementation of the recommendation of the MSG Observer Report 2020

Initial consultations were undertaken to explore possible collaboration with the Vanuatu Electoral Environment Project (VEEP) to implement recommendations of the 2020 MSG Observer report. The overall shared objective was to contribute to improving the conduct of elections through partnership with United Nations Development Program (UNDP) which was managing the VEEP project in Vanuatu.

Apart from the implementation of the recommendations, specific training programs were planned to cover issues like understanding processes, elections laws, code of conduct and the roles and responsibilities of voters, polling agents and candidates, among others. In addition, discussions also centred around having online workshops among electoral officials in MSG countries to share and exchange information and experiences. Lessons learned may well be utilised to pilot projects currently underway to strengthen the political party system in Vanuatu. Similar approaches were being planned for other Members.

Observation of 2021 Provincial Elections in Vanuatu

The Secretariat observed the provincial elections in Vanuatu held on 12 May 2021, following an invitation by the Government of Vanuatu. The Secretariat team was deployed to observe the elections in various islands in Shefa province. With few administrative challenges, the provincial elections were found to be

credible and the voters were able to exercise their right to vote in a free and fair environment. This was the first time for the Secretariat staff, as international observers, to participate in the observation of elections at provincial level. Our aim was to contribute to the overall strengthening of the electoral system and to promoting greater democracy in Member countries.

The Secretariat team was able to witness, for the first time, how voters were allowed to trial the use of electronic ID cards to vote. Once the electronic system is fully operational there will be excellent improvements to this electoral system. The Secretariat team's overall observations and recommendations were submitted to the partner organisation for incorporation into the provincial election report.

Further review of election handbook and observer guidelines

Following the initial review of the election handbook and observer guidelines conducted by International IDEA, the Secretariat conducted a further review with the assistance of final year law students from the University of the South Pacific (USP). The aim of the review was to finalise the documents well ahead in preparation for the validation workshop to be conducted by Elections Management Bodies (EMBs). The meeting of the EMBs was deferred to 2022.

The Handbook and Guidelines adopt best practices, stipulated in the Declaration of Principles on International Election Observation, and will ensure the ongoing integrity, value and impact of MSG observer missions as they continue to support the strengthening of electoral democracy and the political rights of its member countries' citizens.

Membership Issues

Application by the United Liberation Movement for West Papua (ULMWP)

Following the approval of the new MSG Membership guidelines by Leaders during the 2018 Leaders Summit held in Port Moresby, Papua New Guinea, the Secretariat was directed to assess the ULMWP membership application. The ULMWP revised the application and re submitted it in 2019. The Secretariat conducted an initial assessment of the application for Membership by ULMWP and will be presenting the assessment on the next Governing Body Meeting.

Assistance to FLNKS

FLNKS to consider the 2021 Work Program

The first bilateral meeting with FLNKS for 2021 was held in January to consider the FLNKS work activities for the year. The meeting was able to agree and finalise activities for the FLNKS, which included the following: ongoing provision of technical advice where necessary and when needed; possibility of despatching a MSG Ministerial Mission to New Caledonia; strengthened international engagement including through ongoing closer collaboration with MSG Ambassadors to the United Nations in New York, Geneva and Brussels; and facilitation of assistance by Members on various areas of competencies identified by FLNKS. The activities were developed in line with the 2018 Action Plan adopted by Leaders in Port Moresby, Papua New Guinea.

Dispute over the Nickel (Smelter) Mining

In the second quarter of 2021, a series of social conflicts arose in New Caledonia between the pro-independence parties (including FLNKS) and the anti-independence parties, over the sale of the Mining Smelter. The bidding process from interested companies was politicized. There were 2 applicant

companies that submitted bids for the smelter, namely SOFINOR/KOREA ZINC (a Korean Company), and a company owned and operated by the Northern Province under FLNKS and Century Resources (an Australian Company). Century later withdrew from the bidding process, leaving SOFINOR/KOREA ZINC as the only bidder accepted to take over the mining smelter. Despite this, Vale World, a Company associated with the Kanaks and the President of the Southern Province refused to accept SOFINOR/KOREA ZINC and instead proposed for TRAFIGURA (a Swiss Company) to take over the mining smelter.

The Secretariat conducted bilateral consultations with FLNKS to assess the dispute relating to the nickel smelter. The meeting concluded that the move by Vale World and the President of the Southern Province not to accept SOFINOR/KOREA ZINC's takeover of the mining smelter was a response to political manoeuvring tactics intended to isolate the Kanak people from taking over the mining smelter and more broadly to assert control over their own natural resources.

Following the meeting the Secretariat provide a brief to members calling for support for the FLNKS's strategy to ensure that the operations of the mining smelter must benefit the whole population and the economy of the territory, instead of coming under the control of overseas multinational companies.

3rd Referendum of Independence in New Caledonia

During our bilateral meeting with the FLNKS, the Secretariat was informed that France had announced 12 December 2021 as the date for the conduct of the 3rd independence referendum in New Caledonia. The decision was a unilateral decision by France and raised concerns amongst the FLNKS and pro-independence parties in New Caledonia. The FLNKS congress later resolved to take a "no-participation" approach to the referendum for a number of reasons including the following:

- (i) That the unilateral decision by France was against the spirit of dialogue and consultation enshrined in the Noumea Accord;
- (ii) COVID 19 challenges facing New Caledonia and the resulting State of Emergency;
- (iii) The incidence of around 274 COVID 19-related deaths, being mostly indigenous Kanak people, some of whose communities were still undergoing customary mourning ceremonies;
- (iv) State of Emergency made it difficult to organize community meetings, rallies and popular gatherings, making it impossible to engage in political campaigning;
- (v) Challenges relating to the registration campaign, which was essential to enable voters on the islands to vote in the decentralized voting bureaus (DVBs); and
- (vi) Challenges relating to the setting up DVBs and to the gathering of a large number of people in one place for several hours to vote.

On 18 October, the FLNKS leaders presented a strong statement against the unilateral decision by France to hold the third referendum on 12 December. The statement was conveyed to the Secretariat and further bilateral meetings were conducted where it was agreed for the Secretariat to engage Members through the MSG Ambassadors to the United Nations to present a petition before the Special Political and Decolonization Committee (Fourth Committee).

On 20 October, the Chair of the MSG Ambassadors to the UN, H.E. Ambassador Max Rai, presented the statement to the Fourth Committee highlighting the significant political situation in New Caledonia as well as the challenges relating to the organization of the referendum due to the COVID 19 pandemic.

Despite these efforts, the Secretariat was advised by the FLNKS that France had decided to maintain 12 December 2021 as the date for the 3rd referendum. As a result, the FLNKS congress decided to take a "no-participation" approach to the referendum.

Unfortunately, while International Observers including the Pacific Islands Forum were invited to observe the 3rd referendum in New Caledonia, the MSG Secretariat was not invited.

Official Results of the 3rd Referendum

The referendum question that the population was asked to answer was “Do you want New Caledonia to accede to full sovereignty and become independent?”

Of the 184,364 registered voters, the following results were reported:

- NO – 75,720 (93.61% of those who voted: 41.07% of total registered voters)
- YES – 2,747 (3.40% of those who voted: 1.49% of total registered voters).

From the results, it could be seen that the large population who voted against independence were mainly anti-independence people of French origin, who lived in the main city of New Caledonia, Noumea, and also three small towns around Noumea, constituted of Polynesian and Asian communities. The geographic parameters of voters showed the residential particularity of New Caledonia where settlers who came since colonization and over the last 30 years have been concentrated in the city living comfortable urban lifestyles. Unfortunately, the question of independence and issues of social inequality were not a priority to them.

Generally, it should be noted, that the watchword of the FLNKS to not participate was largely followed as 56% of registered voters did not take part in the election. Furthermore, the evolution of the results since the first referendum in 2018 to the third one in December 2021 gives a perfect illustration that the desire for independence has increased:

- 2018: 43% for “YES”
- 2020: 47% for “YES”
- 56%: Did not take part in the vote (following the decision of the FLNKS)

It was clear that the French Government’s actions played against the agreed process of decolonization, and were contrary to the spirit of the Noumea Accord.

UN Resolution on the question of New Caledonia

In preparations for the substantive C24 session, the Chair of MSG Ambassadors to the United Nations shared the draft resolution on the Question of New Caledonia. The draft resolution contained information on the third self-determination referendum scheduled for 12 December 2021. Other notable information included was the COVID 19 situation as reflected in the final preambular paragraph, which adopted the General Assembly consensus-based respective resolutions.

The Secretariat was requested to provide views on the draft resolution. The views provided by the Secretariat were centred around the need for involvement of all parties to the Noumea Accord (particularly the FLNKS) to determine the dates for the referendum, particularly in light of the challenges posed by COVID 19.

Parliamentary Cooperation between the Congress of New Caledonia and the National Parliament of Solomon Islands

Over the years, the MSG Secretariat has facilitated parliamentary cooperation between the Congress of New Caledonia and the various parliaments in member countries. This activity is in line with the Leaders’ Mandate to support capacity-building and institutional growth in New Caledonia. To date, the Congress of New Caledonia has signed MoUs with the Parliament of Fiji and the Parliament of Vanuatu.

In 2021, the Secretariat facilitated the proposed signing of the MoU between the Congress of New Caledonia and the Solomon Islands Parliament. The signing ceremony was deferred due to COVID 19 challenges. Discussions with the Parliament of PNG will commence as soon as the MoU with the Solomon Islands Parliament is signed.

Peace and Security

Regional Security Strategy (RSS) consultation with Members

The Secretariat commenced virtual consultations with senior government officials and police officers from the Republic of Fiji and the Solomon Islands on the RSS. The purpose of the consultations was to review country specific contributions to the RSS framework document. The country specific sections focus on the national security environment and priorities that will be linked to the sub-regional strategic priorities, ensuring that the RSS is relevant and valued-adding to members' priorities. Consultations with Vanuatu and PNG will be undertaken as soon as the schedules are confirmed.

Virtual Meeting with the Republic of Indonesia on the Regional Security Strategy (RSS)

A virtual meeting with the Republic of Indonesia was convened on 16 March 2021 to discuss the offer by Indonesia to convene and host the 4th RSS Working Group Meeting, as well as the financial contribution by Indonesia toward RSS activities.

Indonesia supports the MSG Regional Security Strategy (RSS)

The Indonesian Government, through the Indonesian National Police, have approved to facilitate to the MSG Secretariat the payment of US\$100,000 that was pledged in 2017 during the MSG Police Commissioners and Police Ministers Meeting.

This confirmation was given during a virtual meeting convened between the MSG Secretariat and Indonesia National Police officials. The US\$100,000 support for the MSG RSS Working Group was timely as the RSS WG was established to provide an avenue for discussion and development of the RSS. In the face of ever-increasing and emerging new threats to peace and security, it is incumbent on Members of the RSS WG to devise appropriate and relevant strategies to address identified common security challenges in the region, on the basis of the needs and interests of its members.

The Agreement Establishing the MSG recognises the importance of aligning policies to further advance MSG members' shared goals of peace and security, therefore the RSS is important for common security threats and challenges in the MSG region to be assessed, to allow for future sustainable development and prosperity, as recognised in the MSG 2038 Prosperity for All Plan.

The last MSG RSS Meeting was held in Nadi in 2019, with Indonesia expected to host the next meeting of the MSG RSS Working Group in 2022.

Collaboration with the Asia Pacific Centre for the Responsibility to Protect (APR2P)

The Secretariat conducted virtual discussions with the University of Queensland's (UQ) Asia Pacific Centre for the Responsibility to Protect (APR2P) on possible areas of collaboration in line with the priorities under the Regional Security Strategy (RSS). The meeting agreed to explore the possibility of developing a Memorandum of Understanding (MOU) to focus on broad topics such as the Prevention of Climate Change Atrocities, the Prevention of Gender-based Atrocities and the Prevention of Hate Speech-based Atrocities. The MoU will also cover specialised training needs for MSG officials on monitoring and early warning systems and an overview of R2P and the Framework of Analysis for Atrocity Crimes.

Third Pacific Islands International Humanitarian Law (IHL) Roundtable

The Secretariat participated in the 3rd Pacific Islands International Humanitarian Law roundtable, convened virtually from 2 November 2021. The meeting gathered participants from around the region to

discuss the traditional norms of warfare from different cultures. Participants were invited to share the norms of restraint found in their cultural and religious traditions and relate them to IHL treaties.

Governance Issues

Collaboration with the International Republican Institute (IRI)

The Secretariat conducted an introductory meeting with the International Republican Institute (IRI). The IRI is the premier international democracy development organisation, and it has performed high-impact work in many countries in Africa, Asia, Eurasia, Europe, Latin America and the Caribbean, and the Middle East and North Africa since 1983. It currently has offices in 40 countries worldwide. The discussion with IRI covered topics relating to the conduct of election observation in the MSG, and training and capacity-building programs for women.

School for Women in Melanesia, International Republican Institute (IRI)

In collaboration with the International Republican Institute (IRI), the Secretariat hosted a special online leadership training activity for women in Melanesia. The training was part of the Secretariat's efforts to promote good governance, particularly activities relating to gender equality.

MSG Gender Framework

An initial review of the MSG Gender Framework was conducted. The Secretariat concluded that the gender framework will require further work before the content can be adequately reviewed, updated and finalised for consideration by Members. Discussions are currently underway with the Government of Australia to assist with the development of the gender framework.

Legal Issues

Apart from providing ongoing in-house legal services and advice, the program also assisted with the consideration of legal instruments that were required to be discussed from time to time with Members and partnerships.

Memorandum of Cooperation with the Australian Government on MSG Gender Framework

The Secretariat assisted with the consideration of the potential Memorandum of Cooperation (MoC) between the Australian Government and the MSG Secretariat to advance the finalization and implementation of the MSG Gender Framework.

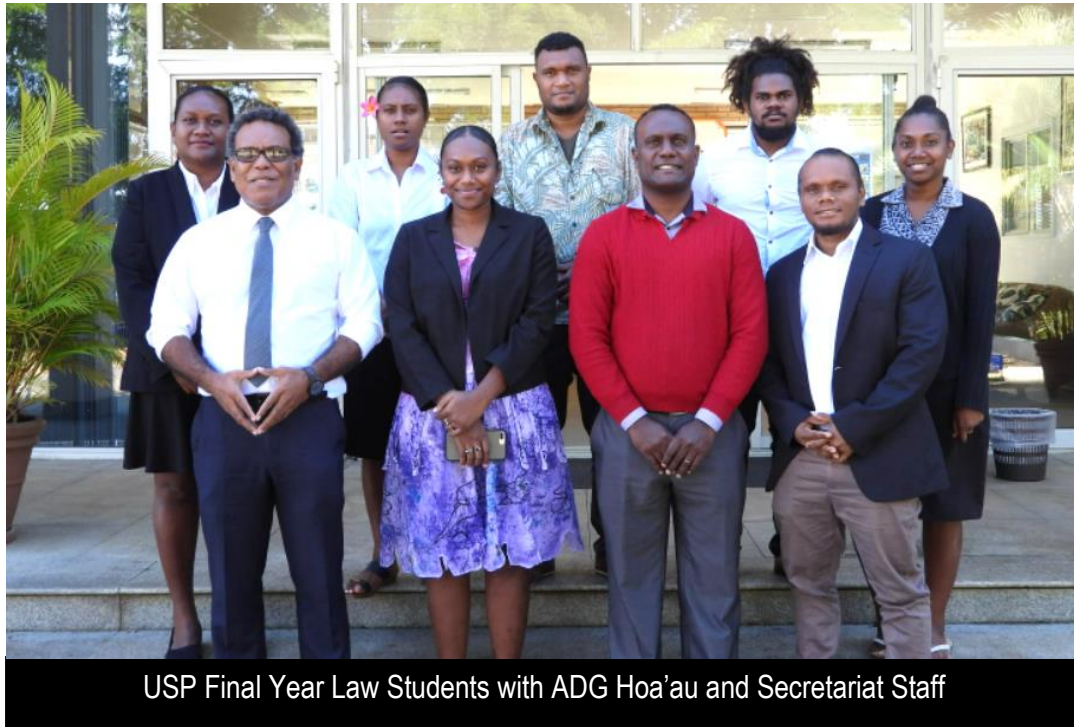
KIWA Initiative

The Secretariat convened the first round of virtual discussions with the United Nations Office of Project Services (UNOPS) to plan work on combating ocean acidification and strengthening community resilience by developing seaweed cultivation, through the KIWA Initiative. Funded by the governments of France, Canada, Australia, New Zealand, and the European Union, the KIWA Initiative aims to strengthen the resilience of ecosystems, economies and communities in Oceania by supporting projects that promote nature-based solutions through grants and technical assistance. Potential partners in this program include the United Nations Office for Project Services (UNOPS); the International Coordination Centre (OA-ICC), the International Atomic Energy Agency (IAEA) and the United Nations Industrial Development Organisation (UNIDO). Discussions are continuing.

Law Students Internship Program, University of the South Pacific (USP)

A total of eight final-year law students from the University of the South Pacific's School of Law successfully undertook their internships with the Secretariat. The interns were supervised under the program and rotated amongst the different work programs of the Secretariat. They conducted various legal work assignments, including conducting research on politics, security, socio-economic matters, trade, sustainable development, security and human rights. At the end of the internship the students were able to do presentations and share their experiences.

The one-month internship program was made possible following a standing arrangement between the MSG Secretariat and USP which enabled final year Law Students to undergo a month-long work experience internship at the MSG Secretariat.



During their internship program, each of the students were given tasks allocated to them from each of the MSG program activities. The internship program enabled a total of ten final year Law students to come into the Secretariat at different intervals throughout their internship period

The Secretariat was privileged to be able to have the services of the law interns, who, in their given tasks did not only perform analytical tasks such as drafting documents, but were also provided with the opportunity to provide legal advice.

Law Student Intern 2021 Profile

Here is a snapshot from one of the Law student interns who completed her internship at the Secretariat.

Can you tell us about yourself?

My name is Jessica Maoh, I am from the West Coast of Espiritu Santo and I am a final year law student at the USP School of Law, Emalus Campus.

Why did you choose to do your internship at the MSG Secretariat?

Before the internship period, we were given options to choose from and most of them were offices of the government that deal with litigation matters. I am not so interested in litigation so I chose to do my internship at the MSG. The main reason why I chose MSG was because I knew MSG is an intergovernmental organization, but I didn't know much about it. So, I decided I should choose MSG as my intern placement. Another reason is that I see an opportunity to enhance the knowledge I had about the MSG Secretariat, because I was planning on taking a course that involves some issues that the MSG is dealing with, particularly the issues with "decolonization". I thought I could learn something different but related to the legal aspects of what I've been taught at law school.



What specific tasks were you assigned to do during your internship program at the Secretariat?

During the internship at the Secretariat, some tasks that I was assigned to are:

- Research the laws of Vanuatu and provide legal opinions on certain issues that arise within the Secretariat and its staff.
- Assist with editing and correcting the MSG's Election Observation and Evaluation form.
- Last but not least, we studied the various pillars of the MSG and identified which pillars are the most important to deal with at present, and to state why, and as well to identify support agencies that the Secretariat can partner with to achieve its objectives under each pillar.

How has the internship program contributed to your career goals?

This internship has contributed towards my career goals by enabling me to work with teammates, improve my communication and oral presentation skills and to put the knowledge I have learned to actual practice. One thing which I personally think this internship taught me and which I know will help me in any future career I pursue is building partnerships and connections. I think this is one important skill that an individual should have: to know how to connect with people and build a connection not just for themselves but also for the organization they work for or the government institution they represent.

What is your general impression about the MSG Secretariat?

My general impression about the MSG Secretariat is that I was pretty impressed at how much MSG has developed over the years, and its achievements and goals are something any Melanesian should be proud of. This Secretariat is the first across the Pacific and I am proud of the work this Secretariat has done. There are big achievements that the MSG Secretariat has managed to accomplish, despite challenges and the COVID pandemic, and there are many other interesting things that I learnt that the Secretariat will work towards achieving in the future.

What would you like to say to future interns?

I would like say to any future interns or those that are looking into choosing a space to do their internship that the MSG Secretariat is the BEST option if you are looking into developing your knowledge and skills

or looking into developing your knowledge around the issues that are affecting our Melanesian countries. If you are more focused on regional aspects, I recommend the MSG Secretariat.

The Headquarters here at Independence Park provide a friendly working environment. The staff at the Secretariat are very friendly, helpful and supportive. I encourage Vanuatu students with the ambition to contribute to developing our region to seek assistance or information from this office, or maybe undertake an internship and to learn as much as possible in this space as this will give you a positive outcome and will help you develop your career.

Trade & Economic Development

The Trade and Economic Development (TED) Program is primarily responsible for providing trade, investment and economic policy advice to Members and the Secretariat, including overall responsibility for the development and implementation of the Secretariat's TED Program.

The four key strategic priority areas for the TED Program are as follows:

1. MSG Trade Agreement 2 - Melanesian Free Trade Agreement (MFTA);
2. Post-Pacific Integration Trade Adjustment Program (PITAP) and Trade-Com Implementation;
3. MSG Private Sector Development (PSD) Program; and
4. Pacific Regional Integration Support (PRISE) Program under the 11th Economic Development Fund (EDF).

These four strategic priorities for the TED Program were designed to deliver the MSG Leaders' Mandate specified in the "MSG 2038 Prosperity for All Plan". Due to the realignment of the Secretariat, the Economic Development Program (EDP) was merged with the Trade and Investment Program.

MSG Trade Agreement 2 – Melanesian Free Trade Agreement (MFTA)

Business enquiries on the MSG Trade Agreement

The Secretariat continued to facilitate the provision of policy advice in response to enquiries received from potential and new investors including the MSG Members on the terms and conditions of the MSG Trade Agreement (MSGTA) and to encourage more small business opportunities for the MSG.

Melanesian Free Trade Agreement

Since the completion of the negotiations on the new MFTA in 2016, Fiji and Solomon Islands have signed the Agreement but are yet to complete the parliamentary process for its ratification. Vanuatu and PNG have confirmed their position to sign the MFTA and are conducting internal consultations with their stakeholders at country level.

The Secretariat continued to follow-up with Members in relation to the signing and ratification of the MFTA. Online consultation were convened with members to update on the implementation status of the MFTA.

The Secretariat participated in Vanuatu's National Trade Development Committee (NTDC) meetings with observer status. Vanuatu's NTDC meetings have been very consistent and have a wide representation of stakeholders from government, private sector and development partners, who converge twice a year to monitor the implementation of past NTDC decisions and to be updated with progress on the relevant sector and trade-related programs and initiatives. This has modelled a good pace in the way in which Vanuatu has been able to mainstream its trade development policies to meet its development aspirations.

Post-Pacific Integration Trade Adjustments Program (PITAP) and Trade-Com Implementation

The MSG Secretariat continued to progress some of the key elements of the MFTA through technical assistance received from International Organisation for Migration, as part of preparatory work to ensure proper implementation of the Agreement. Some of the key projects involved a study on the MSG Remittances, and development of Standard Operating Procedures (SOP) for the Melanesian Travel Card to facilitate the movement of identified key personnel within the MSG countries.

Collaboration with SPC, PIFS and OCO to create a Pacific Commodity Trade Database

In August 2021, the MSG Secretariat joined Pacific Island Forum Secretariat (PIFS), the Oceania Customs Organisation (OCO) and the Pacific Community (SPC) in a project to facilitate the creation of the Pacific Commodity Trade (PACComTrade) Database Project. The project team, assisted by UNCTAD and the United Nations Trade and Industry Statistics Section, signed a Letter of Agreement (LOA) to mark the beginning of the project.

The trade data will be sourced through SPC signing a Licensing Agreement with Customs Administrations and storing relevant data and statistics in the SPC's Pacific Data Hub, to generate user-friendly, timely and accurate trade statistics for end users. Working groups made up of representatives of the signatories of the LOA including UNCTAD will supervise the implementation of the PACComTrade database project.

The PACComTrade Database project aims to address a significant challenge to the provision of standardized and harmonized trade statistics in the Pacific, and in particular, to contribute towards realizing the Secretariat's goal to monitor the performance and operation of the Melanesian Free Trade Area.

Private Sector Development

PIFS–International Trade Centre Pacific Regional Trade Finance Symposium for the Pacific

MSG participated in the two-day PIFS Regional Symposium on Trade Financing for Micro, Small and Medium Enterprises (MSMEs), organized by the Pacific Islands Forum Secretariat, the International Trade Centre (ITC), Asian Development Bank (ADB) and the Commonwealth Secretariat. In light of the drastic impact on businesses brought about by COVID 19, the symposium generated discussions for a way forward for new and enhanced strategies on Trade Financing for MSMEs through sharing of lessons learnt and exchange of information amongst regional and international trade officials. With the theme, “*Improving and Strengthening Private Sector Access to Finance for Trade*”, participants from the Trade Ministries, Central Banks and the private sector in MSG and other Forum Island Countries, including representatives from regional institutions and development partners, shared experiences and insights on ways to support Small Medium Enterprises (SMEs) gain access to Trade Finance in the Pacific.

The Secretariat moderated a session in which the Commonwealth Secretariat shared its experiences on regional coordination of trade finance through the Trade Finance Facility, to assist commercial banks to support SME development in selected Commonwealth countries. Other issues captured in this session included the importance of clear trading policies and rules, and proper implementation of the Agreements by trade facilitation agencies, including awareness programs to educate SMEs and exporters.

Pacific Talanoa Session on the Pacific Kava Industry

The MSG Secretariat participated in the *Pacific Talanoa Session* on the Pacific Kava Industry in October 2021, hosted by the SPC Pacific Data Hub. The session, which featured speakers from PHAMA Plus, the Vanuatu Kava Industry Association and the Pacific Community, concluded that while kava is an important commodity with significant economic and cultural value in the Pacific, greater collaboration at national and regional level is necessary to improve trade data to support industry growth.

UNCTAD MSG Green Growth Project

The Secretariat participated in the virtual start-up workshop on the UNCTAD Green Trade for MSG Project in November 2021. The UNCTAD Green Trade for MSG Project provides for planned joint initiatives, actions and activities to enhance the capacity of Melanesian countries to integrate green trade promotion into their sustainable development strategies. The workshop was aimed at providing relevant information on the objectives and scope of the UNCTAD Green Trade for MSG Project and in particular,

to gather Members' support for the implementation of this Project in 2022. Funded by the United Nations, the Project will also complement the Pacific Quality Infrastructure Initiative envisaged under the EDF11 PRISE Project managed by the Pacific Islands Forum Secretariat (PIFS). Participants comprised government officials from Fiji, Papua New Guinea, Solomon Islands and Vanuatu, including representatives of UNCTAD and the MSG Secretariat.

EDF11 – Pacific Regional Integration Support (PRISE) Program

UNCTAD joins EU to support the EDF11 PRISE Program – IMPACT Project

The signing of the EU EDF11 PRISE Program agreement reached between the PIFS and the EU in 2020 confirmed the need for more collaboration between the MSG Secretariat and UNCTAD to develop a draft budget to support the implementation of the IMPACT Project.

EDF11 IMPACT Project is an EU-funded intervention aimed at streamlining customs clearance processes to improve border and customs procedures in Pacific Island countries, intended to enhance intra-regional and international trade in the Pacific region.

In November 2021, UNCTAD's Deputy Secretary General, Madame Isabelle Durant and EU's Deputy Representative to Fiji, Sujiro Seam signed the Contribution Agreement to mark the launching of the IMPACT project valued at EUR 10 million and funded by the European Union (EU). The MSG Secretariat is expected to benefit from the EDF11 IMPACT Project and will continue to work with UNCTAD to realise this ambition.



Digital signing ceremony of the UNCTAD-EU IMPACT Project agreement

Strategic Partnerships

Virtual Validation Workshop for Pacific Regional E-Commerce Strategy and Roadmap

E-commerce has the potential to unlock opportunities and enhance trade in goods and services for exporters, to benefit from the Melanesian Free Trade Agreement. In July 2021, the Melanesian Spearhead Group (MSG) Secretariat supported PIFS in the development of the Pacific Ecommerce Strategy and Roadmap. This activity started in 2020 with the preparation of the MSG Ecommerce Assessment Reports, which were presented to the MSG countries in an online workshop in support of the overall Pacific Ecommerce Assessment Reports.

Alongside the preparation of the MSG sub-regional ecommerce assessment is the preparation of two national ecommerce assessment reports for Fiji and Papua New Guinea respectively. The Project was funded by the European Union and supported by the ACP Tradecom Program II in 2020. Solomon Islands Rapid eTrade Readiness Assessment and Vanuatu National Ecommerce Assessment reports were completed in 2019. The Program Manager, Trade and Economic Development, Sovaia Marawa, co-facilitated the first breakout session of the virtual Validation Workshop for Pacific Regional E-Commerce Strategy and Roadmap, which looked at Policies, Strategies and Trade Agreements.



MSG Secretariat and PACER Plus Implementation Unit to work together

In October, the MSG Secretariat had fruitful talks with the PACER Plus Implementation Unit (PPIU) based in Apia, Samoa. At the informal meeting, MSG Secretariat Acting Director General, George Hoa'au, assured the Head of PACER Plus, Mr Roy Lagolago, of the Secretariat's support and cooperation in collaborating with regional organisations such as the PPIU, PIFS and other regional agencies in areas of mutual benefit for our members. The Melanesian Free Trade Agreement (MFTA) complements the PACER Plus in strengthening economic integration in the MSG region, as a stepping stone to achieving wider regional integration in the Pacific, amongst other things. Both parties agreed to work on opportunities for collaboration on trade capacity-building initiatives and to find viable ways and solutions to work together in the Pacific.

All MSG countries currently trade under the MSG Trade Agreement. Solomon Islands ratified the PACER Plus Agreement in 2020 while Vanuatu signed the Agreement. Fiji and PNG both opted out of PACER Plus.

Participation at Trade Meeting in Santo

The MSG Secretariat participated in the Vanuatu National Trade Development Committee (NTDC) Meeting in Luganville, Santo on 17 November. The major objective of the meeting was for the NTDC to monitor the implementation of their previous decisions. Further, the meeting provided the opportunity for the Vanuatu responsible ministries to be updated on the Vanuatu's Aid for Trade initiatives, the performance of the national economy, progress on the various trade facilitations, negotiation and agreements, investment and Vanuatu's productive sectors.

The MSG Secretariat is collaborating with the Pacific Islands Forum Secretariat, UNCTAD and other regional partners on these matters, who are expected to benefit from the European Development Fund - EDF11 PRISE Program - and the UNCTAD program of Green Trade for Sustainable Development of MSG in 2022.

The MSG Secretariat team, led by Mrs Marawa, included Ilan Kilo (Programme Manager, Political and Security Affairs), Christopher Waiwori (Senior Executive Advisor) and Ana Tudrau-Tamani (Communications & Media Officer). The MSG Secretariat was officially invited to do a presentation in the next NTDC meeting in 2022.

MSG Secretariat supports learning & development opportunities for young Melanesians

In April 2021, the Secretariat hosted Ulina Marawa, a Year 11 student at Port Vila International School for her week-long attachment. Ulina's Stage 2 Workplace Practices course requires her to undertake a Work Placement as part of an introduction to the nature of modern workplaces, and assists students by preparing them for future employment.

To successfully complete the course, a formal requirement is that students complete a 40-hour work placement, giving them the opportunity to see a workplace in practice. Other issues covered in the course include strategies for finding and securing employment, the impacts of technology and globalisation, and work health and safety.



As an organisation set up for the aspirations of Melanesians, the MSG Secretariat is pleased to seize such opportunities to support the learning and development of our young people.

Environment, Climate Change and Natural Resources Management

The work of the Programme was hampered by the fact that this programme has no designated staff. Hence nothing tangible was accomplished in 2021.

Strengthened work on Community-Based Coastal Resources Management

The MSG Secretariat and the Japan International Cooperation Agency (JICA) successfully convened an online meeting to further their collaboration on community-based coastal resource management activities.

This partnership stems from a Memorandum of Cooperation (MOC) signed in September last year, to support implementation of the objectives of the MSG Roadmap for Inshore Fisheries Management and Sustainable Development 2015–2024, by utilising JICA's Grace of the Sea Project in Vanuatu.

In line with the MSG Roadmap for Inshore Fisheries, the Grace of the Sea project is a community-based coastal resources management approach that sought to improve the livelihoods of coastal communities, through sustainable and conservation means, as well as promoting economic livelihood activities.

Other areas of collaboration included preparations for the 1st Technical Meeting on 25 February. This meeting involved Fisheries Officials from MSG Members and technical officials from JICA to discuss and finalise the Action Plan as well as a Draft Guideline Paper on In-Shore Fisheries that will set the scene for a regional framework for inshore community-based fisheries management.

These initiatives signal exciting times ahead for our Melanesian region in the area of community-based coastal resource management.



Youth and Sports Development

The programme has been without a Programme Manager, thus has been under the supervision of the Acting Director General working with the Youth and Sports Development Officer.

The Sports programme aimed to develop sports activities and competitions where our members can participate together, not only for the competitive experience but also to create our own space where Members can expose their skills and talents. We need to develop a platform where Members can improve their level of performance through learning from other Members.

The Programme focusses on working with Members to develop programs on youth engagement in Melanesia across common areas that contribute to youth development.

Our five key strategic priorities and the relevant areas that the Secretariat put emphasis on in 2021 are:

1. The MSG Secretariat Sports Business Model;
2. The MSG Sports Charter;
3. Development of Sports Corporate Partnerships;
4. MSG Prime Ministers Cup; and
5. Melanesian Games

For the Sports Business Model, the concept was to establish a corporate arm of the Secretariat, purposely to manage, organise and coordinate sporting fund and to enable the Secretariat through its Members to sustain the different mandated sport competitions.

A draft Terms of Reference was developed so that sports development experts may assist the Secretariat with a model that will ensure the financial sustainability of the MSG Games.

In terms of the MSG Sporting Charter, work is in progress and once it is completed, it will be revetted through the National Government's legal process.

MSG Prime Ministers Cup

Consultation was still ongoing with Vanuatu as the proposed Host Government for the inaugural Prime Ministers Cup.

Melanesian Games

There is still ongoing discussion with the Sports Committee and the draft Games Charter has been completed. However, New Caledonia initially offered to host the inaugural Melanesian Games.

Arts and Culture

The Arts and Culture Program is part of the sustainable development program devoted to arts and culture activities in the MSG region. The primary role is to provide policy advice to Members and the Secretariat on the development and implementation of the Secretariat's Arts and Culture Program.

There are seven key strategic priority areas for the Arts and Culture Program:

1. Melanesian Arts and Cultural Festival (MACFEST)
2. MSG Beauty Pageant
3. MSG Music Festival
4. Engaging Youth and Women in Arts and Culture
5. Arts and Culture Symposium
6. MSG Arts and Culture document depository and website
7. MSG Partnership on Arts and Culture with IFACCA

MSG Music Festival Guiding Document discussed [MOVE TO ARTS AND CULTURE SECTION]

A National Consultation on the Draft MSG Music Festival Guiding Document was undertaken at the MSG Secretariat on 17 September.

The initiative to host musicians, based in Port Vila, was an attempt to encourage and motivate artists and performers in MSG member countries to celebrate Melanesian traditional music, and to compose music inspired by traditional Melanesian chants, lullabies and stories, among other things.

The national consultation provided the opportunity to source valuable ideas and information from the participants, who were mostly Vanuatu local musicians, to help inform the drafting of the MSG Music Festival Guiding Document. The MSG Music Festival was endorsed during the 7th MSG Arts and Culture Ministers Meeting in Kokopo, East New Britain, PNG in 2019.

It is understood that Vanuatu will lead the working group in the document's preparatory work, provided their practical experience in hosting the annual national music festival, Fest Napuan.

The consultation was officially closed by Chief Willie Gray Plasua, President of the Malvatumauri National Council of Chiefs.



Discussions on the Music Festival Guiding Document at the MSG Secretariat Conference Room

Melanesian Arts Festival 2022 (MACFEST)

There is ongoing consultation with the Vanuatu Kaljoral Senta (VKS) on the preparations for Vanuatu to host the 7th MACFEST in 2022. This involves consulting regional guidelines on hosting of the MACFEST, and development of a budget in 2021 for the consideration of the Vanuatu Government. This also includes the demarcation of roles and responsibilities to lead the development of a draft MACFEST Budget.

Melanesian Beauty Pageant

Fiji has completed the draft Terms of Reference for the MSG Beauty Pageant Working Group, which was circulated to members for input and comment. Feedback from Members has been consolidated and Fiji is finalizing the ToR. Fiji is also working on a draft skeleton of the Beauty Pageant Guiding Document and this will soon be circulated to Members for their comments.

Melanesian Music Festival

A consultative workshop was convened with the Vanuatu Arts and Culture Sector and the Vanuatu Music Association, resulting in the development of a draft MSG Music Festival Guiding Document which will be circulated to Members for their comments before being finalised.

Engaging Youth and Women in Arts and Culture

A chapter was developed to tie in Youth, Arts and Culture activities to the MSG Sporting Tournament Charter. This will allow for the Melanesian Youth and Cultural Festivals to hold a showcase to be held consecutively with any sports event under the MSG Sporting Tournaments Charter.

Arts and Culture Website

A draft MSG Arts and Culture website structure has been developed. It was circulated for in-house comments before being sent to Members for their inputs.

Culture and Education Strategy

Fiji finalised the Culture and Education Strategy and will be sharing it for the consideration of Members in 2022.

Corporate Services

The Corporate Services Division is the operations room of the Secretariat and is headed by the Manager Corporate Services. It provides cross-cutting services across the organisation, such as Finance, Human Resources, Administration, IT Services and Legal Services.

In fulfilling its functions, Corporate Services assists the Director General and the Executive Management in the management of finances, human resources, properties and assets of the Secretariat, and the provision of support and technical services to enable the smooth conduct of the Secretariat's operations.

With the continuous challenges posed by COVID 19, the IT unit ensured that internet communication technology and the Zoom communication platform to support the Secretariat's virtual meetings and conferences were always maintained.

Corporate Services has the following staff (12 staff and 2 vacant positions):

Finance		HR and Administration	
Accountant	Roy Mariasua	Personnel/Admin Officer	Mothy Sisi
Accounts Assistant	Roslyn Mera	Divisional Assistant	Jeanne Rarua
Procurement Assistant	Lilian Amos	Driver/Support Assistant	Roy Mael
IT Services		Office Cleaner	Caroline Masauvakalo
IT Officer	Nettie Collins	Office Cleaner	Sabrina Tari
IT Assistant	(vacant)	Office Gardener	Arthur Wobak
Legal Services		Cleaner DG's residence	Vailyn Joel
Legal Officer	(vacant)	Gardener DG's residence	Peter Patty

Finance

2022 Work Program and Budget

The 2022 Work Program and Budget was approved out-of-session by the MSG Foreign Ministers Meeting in February 2022. The budget of VT193.9 million is reduced from the usual annual budget of VT217.6 million. The basis for this is that there were no travel including a temporary freeze on recruitment.

2021 Financial Audit

The 2021 financial audit is in progress and according to Financial Regulations it has to be completed by April 2022.

MYOB

Corporate Services migrated the Secretariat's MYOB financial system to the Cloud, an activity that began in 2019. Finance staff are now able to access MYOB on the go or remotely, which is a plus for the functioning of the Secretariat.

Financial Management Reports

One of the Corporate Services' responsibilities is producing monthly Financial Reports to the Director General. The monthly financial reports contain the Secretariat's monthly income and expenditure (cashflow) and a report on the Program Budget Monitoring and Evaluation.

Assessed contributions

With no additional funds to support the operations and work program of the Secretariat, the Secretariat relies solely on the annual assessed contributions of Members. Therefore, timely receipt of Members' assessed contributions is pivotal to the successful implementation of the Secretariat's annual work program. The Secretariat wishes to impress upon Members the need to make timely payments of Assessed Contributions in the first quarter of the year.

With the financial challenges faced by the Secretariat, the Secretariat has exhausted its reserves, simply to sustain its operations through 2021.

The table below shows the balance of the Members Assessed contributions including outstanding payments still owed by some members to the Secretariat.

Balance of Members Assessed Contributions Ending Dec 2021						
MSG Member	2019	2020	2021	2021 Receipts	Total Outstanding	USD Equivalent
	Vatu	Vatu	Vatu	Vatu	Vatu	USD
Fiji	0	0	41,890,246	41,890,246	0	0
Papua New Guinea	59,568,207	59,568,207	41,890,246	59,568,207	101,458,453	1,014,585
Solomon Islands	0	0	38,082,041	38,082,041	0	0
Vanuatu	0	0	38,082,041	30,000,000	8,082,041	80,820.41
Republic of Indonesia	0	0	21,761,166	0	0	0
				Total Due	109,540,494	1,095,405.41

Human Resources

Staffing

The total current staff number is 21, against an approved establishment of 31. These are distributed as follows, by category and country of origin:

	Professional	Administrative and support	Total
Fiji	2	0	2
PNG	1	0	1
Solomon Is	4	0	4
Vanuatu	4	10	14
MSG total	11	10	21

Recruitment and Settlement

The Secretariat has followed the approved process and is in the final stages of the recruitment of the new Director General. Hopefully by early 2022 a new Director General will be appointed.

The position of the Legal Officer and the IT Assistant were advertised before the Governing Body froze recruitment. Interviews have been done for the two vacant positions and formal appointments were to be made. However, only the IT and Website Officer was appointed, just before the close of the year.

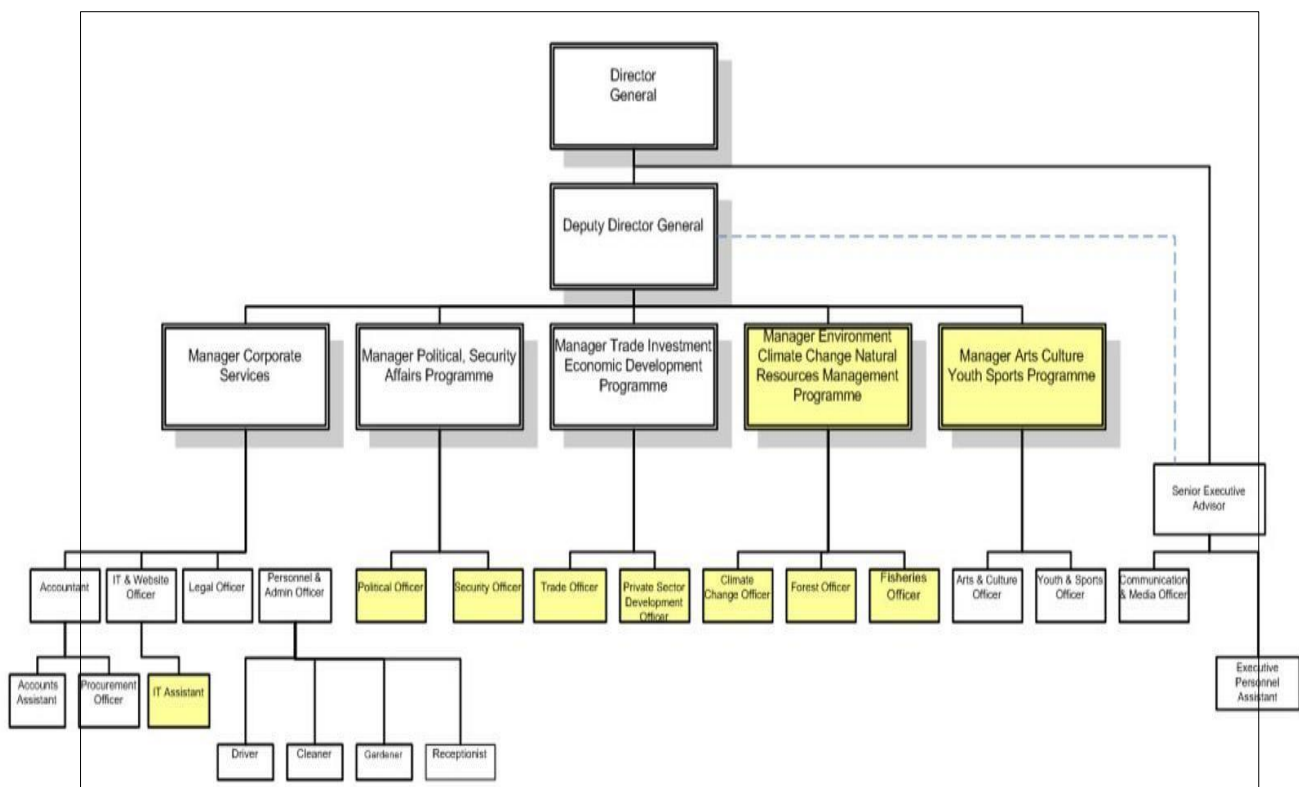
Staff Movements

In 2021 the following professional staff movements have occurred in the Secretariat:

Departures	Stanley Wapot	Program Manager for Environment, Climate Change and Natural Resources Management
	Monica Abau Sapulai	Information Technology and Website Officer
Recruitments	Nettie Collins Bong	Information Technology and Website Officer
	in progress	Director General
	in progress	Legal Officer

Approved 2021 Organisational Structure

The 2021 Organisational Structure below was approved by the MSG Special Senior Officials Meeting in November 2021. The yellow highlighted boxes indicate vacant positions within the establishment.



HR Central

Currently, the Secretariat's HR records are semi-soft and manual records. In the previous year, the Secretariat had identified a HR system called HR Central and this was approved for implementation in 2022. An Australian firm will be assisting the Secretariat on this upgrade and the system should complete all upgrade by mid-2022. Once that is completed, all the Secretariat's HR records should go online.

Office Building

The main office building needs renovation. It was donated by the Chinese Government through the Vanuatu Government to the Secretariat in 2008. It is 13 years old and has gone through numerous earthquakes and cyclones. There are visible cracks in the walls and there are leaks in the roof when it rains. Minor repairs have been made, but the building is in need of a full renovation.

Media and Communications

In line with the MSG 2038 Prosperity for All Plan, two of the four broad objectives of an "Enhanced MSG Sub-Regionalism" lie within the ambit of this unit. They are:

- Raising awareness in MSG communities on what the Group means and what benefits accrue to the people; and
- Promoting MSG regionally and globally.

The above objectives form the core purpose of the unit, whose work cuts across all phases of activities and developments at the Secretariat to achieve visibility for the organisation. In 2021, the three main communication tools used for visibility were the *Melanesian Tok* newsletter, Social Media Teasers and Press Releases.

Melanesian Tok Newsletter

This quarterly publication remains one of the main tools for visibility for the MSG Secretariat. In 2021, there were 2 editions. The first covered activities in the 1st quarter, and was published towards the end of March. The second one was a coverage of events from April right through to December.

Social Media Teasers (SMTs)

SMTs are also developed in line with our efforts to enhance visibility. These are brief description of events and activities that the MSG Secretariat engages in, and shared for our audience on social media. Due to the significant use of both our Facebook and Twitter platforms our visibility is more obvious now with an incredible number of followers, as our online presence continues to be boosted.

Press Releases

Press Releases continue to be an important medium of formal communication externally. All our PRs are disseminated widely via email to our list of regional media contacts.

Regional News Updates (Internal Communications)

This weekly dissemination to all senior staff provided brief updates on the happenings around the region.

Improved Media Visibility

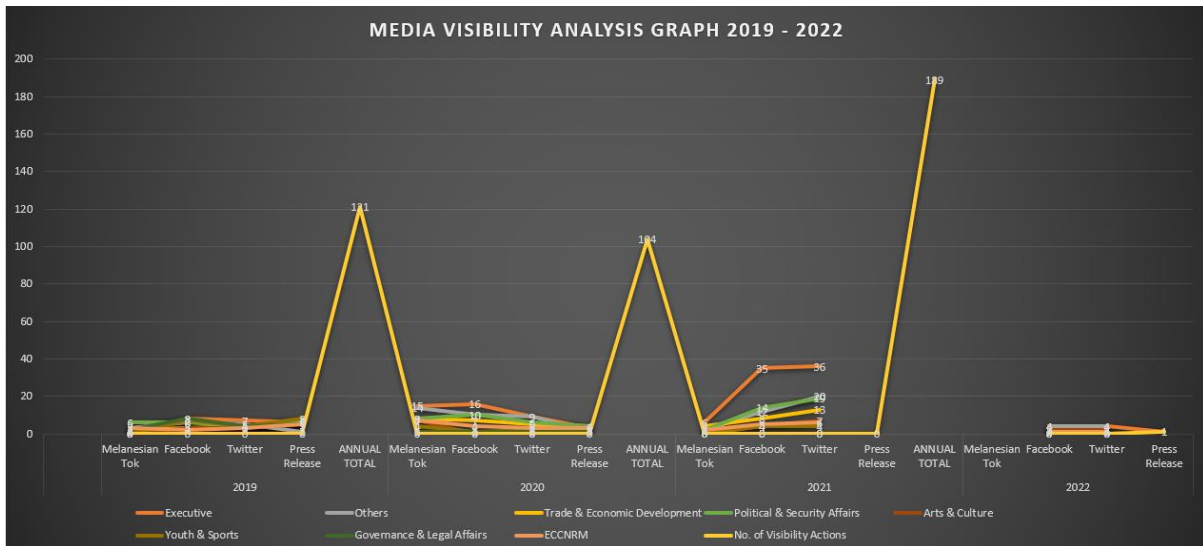
Media visibility has been one of the Secretariat’s priority targets. This was achieved through increased social media posts and interactions.

Data showed that the Secretariat’s Facebook page has reached a following of 7000 subscribers, compared to 6054 subscribers at the same time last year and on Twitter, a following of 1172 subscribers, compared to 895 subscribers previously.

This was the direct result of maximizing our Facebook posts (82 compared to 49 in 2020) and Tweets (105 compared to only 35 in 2020), as shown in the graph below.

The Media & Communications unit continues to explore new ways to boost MSG visibility through all of its visibility tools.

The graph below shows a gradual improvement in the level of visibility on the work of the MSG Secretariat in 2021.



Other Policy & Outstanding Matters

MSG Flag to be flown in all Capitals and MSG Overseas Missions

There is a standing decision of the MSG Leaders made during the 19th MSG Leaders' Summit in Noumea, New Caledonia on 19 June 2013 which is as follows;

In considering the report of the FMM on the MSG Flag, the Leaders agreed to fly the MSG flag on the left-hand side of the national flag in MSG Capitals and MSG Missions abroad.

The Secretariat have reminded Members of this standing MSG Leaders decision and will carry out further follow up to ensure that this Leaders mandate is honoured in all MSG capital cities.

Challenges in Convening a Virtual MSG Leaders Summit

The Governing Body, at its meeting on 12 February 2020 in Suva, agreed to recommend to Leaders for the MSG Leaders' Summit to be held in the last week of April 2020 in Port Vila, Vanuatu. However, this meeting did not eventuate due to the travel restrictions imposed in response to the ongoing COVID 19 pandemic.

The convening of the MSG Leaders' Summit was important because firstly, it would provide for the hand-over of the MSG Chairmanship from Papua New Guinea to the Republic of Vanuatu, and secondly, it would allow for the MSG Leaders to deliberate on the Troika Recruitment Report and proceed on the appointment of a new Director General for the MSG Secretariat.

During the zoom online meeting of the SOM on 19 May 2021, SOM agreed in principle for the MSG Leaders' Summit to convene virtually on Thursday 17 June 2021. Unfortunately, due to Members' conflicting schedules the planned MSG Leaders' Summit was cancelled.

Several attempts made by the Secretariat for the convening of a virtual MSG Leaders Meeting and FMM again proved unsuccessful.

By the end of the year, the MSG Chair requested that the appointment of the Director General and the approval of the 2021 and 2022 Work Program and Budget should be endorsed and approved out-of-session.

Other Outstanding Matters

A number of activities that were not able to be completed in 2021 will need to be pursued by the MSG Secretariat in the next calendar year. They include the following:

- a) Formulation of the new Corporate Plan;
- b) Review of the 2023 Prosperity Plan for All;
- c) Implementation of the Walter Lini Scholarship;
- d) Finalization of the MSG Observer Handbook and Guidelines;
- e) Pursue the standing decision from the Governing Body to second a suitable person from a Member country to work at the Secretariat to oversee the Humanitarian Emergency Response Coordination Centre (HERCC);
- f) Pursue secondment from the MSG Membership for the Fisheries and Climate Change Program;
- g) Ratification of MSG Treaties by Members;
- h) Implement the copyright and legal status of the MSG Logo;

- i) Pursuance of formal diplomatic status for the MSG Secretariat in MSG Member Countries;
- j) Development of a business model for financial suitability of the MSG Prime Ministers Cup;
- k) Finalization of the training and installation of the Finance Reporting Software;
- l) Reviewing of the Secretariat's internal policies and regulations;
- m) Pursuance of the strategic partnerships with potential partners for program and budgetary support;
- n) Upgrading of the online Zoom facilities to be compatible with other regional bodies and the Council of Regional Organisations (CROP) agencies.

Management Team



George Dan Hoa'au – Acting Director General



Ilan Kilo – Manager Political & Security Affairs



Christopher Waiwori – Senior Executive Advisor



John Palmer – Manager Corporate Services

MSG Secretariat Senior Staff



Sovaia Marawa
Programme Manager Trade &
Economic Development



Bill Henry
Sports & Youth Development
Officer



Simone Tuimalega
Arts & Culture Officer



Roy Mariasua
Senior Accountant



Mothy Sisi
Personnel Admin Officer



Monica Abau Sapulai
Information Technology &
Website Officer



Ana Tudrau - Tamani
Media & Communications



Roselyn Mera
Accounts Clerk



Lilian Lange
Procurement Assistant

Picture Library

A GLIMPSE OF 2021



A meeting with Ambassador Yauvoui to pursue ratification of the MFTA.



Prime Minister Hon. Bob Loughman paid tribute to the late Sir Michael Somare during the Haus Krai organised by the MSG Secretariat.



H.E Hirohisa & Counsellor Harada-Migushi during a courtesy call on ADG Hoa'au.



A meeting between MSG Secretariat & PACER Plus in an effort to work together for Members.



ADG Hoa'au on his way to lay a wreath at the Port Vila cenotaph during ANZAC Day.



Senior staff during their first meeting last year.



One of the fitness activities organised by the Staff Social Club at the Breakas Resort.



Participants of the national consultation to discuss the MSG Festival Guiding Document took time out for a photo.



Members of the PNG Community in Port Vila celebrated their 46th Independence Anniversary.



Team MSG & friends celebrated Fiji's 51st Independence Anniversary.



MSG staff celebrated Fiji's 7s victory at the Olympic 7s Rugby.



The Solomon Islands community in Port Vila celebrated SI's 43rd Independence Anniversary.



Team MSG observed the Vanuatu Provincial polls in May. It was the first time for the MSGOG to observe provincial elections as international observers.



MSG staff marked Vanuatu's 41st Independence Anniversary.



Participants of the national consultation discussed the MSG Festival Guiding Document.



Team MSG & friends marked MSG Day



MSG staff in a meeting with FLNKS representatives to strengthen its support for the latter.



Mr Joseph Varo, PNG's Deputy Secretary Policy, deputising for the Foreign Affairs Acting Secretary, during the virtual SOM.



Team MSG & the Pacific Community's Regional Office Head seek ways to collaborate.