REMUNERATION REVIEW: STRATEGIC RECOMMENDATIONS

1. IMMEDIATE PRIORITIES *(Within 12 Months - Potential 'Quick Wins' for SPREP)*

REMUNERATION REPORT RECOMMENDATIONS	COMMENTS FROM SECRETARIAT	MEMBERS WORKING GROUP POSITION
a. Update SDR conversion rates annually to ensure accurate and fair payroll calculations for expatriate staff. • Maintaining a fixed rate offers advantages such as consistency in payroll and budgeting, periodic adjustments are necessary to ensure alignment with current exchange rates and market conditions.	**Note for action within next 12 months.** **Any financial implications on the Secretariat will be considered in the 2027 budget process.** Comments: SDR has implications on all EPAI staff salaries, not just Expatriates. For stability, Secretariat will explore setting a rate that would provide minimal disruptions to both budget and planning, for both the staff and the Secretariat. This could include setting a rate aligned to the budget cycle each year for the rest of the year, instead of the monthly spot rate. The CROP agencies have adopted different variations of adjusting the SDR rate ranging from using the average of the past 12 months to average of past 3 years to try and minimise the adverse implications of the SDR movement to both the staff and the organisation. Implications could be: Current SPREP rate from 2014: 3.8163 – a salary of SDR34,016 will be equivalent to SAT129,815 p.a. Rate at time of Strategic Pay report: 3.633814 – same SDR salary above will be equivalent to SAT123,608. This will mean a decline in take home pay for the staff. In another scenario, if the SDR rate was 3.92 – the same SDR salary above would be equivalent to SAT133,343 p.a. which means an increase in take home pay for the staff.	Agree with Secretariat

b. Review and adjust COLDA rates based on current market conditions to ensure fairness across different duty locations • The Birches Review Report recommended incorporating COLDA into base salary which would reduce the administrative time spent on managing and ensure a consistent approach. • However, this would increase the tax burden on employees in locations that are not exempted from income tax.	**Note for action within next 12 months.** **Any financial implications on the Secretariat will be considered in the 2027 budget process.** Comments: COLDA is already taxed in all locations where income is not tax exempted COLDA formula and rates will be reviewed in line with Report Recommendations.	Agree with Secretariat and noted the value of taking this forward as part of the CROP Harmonisation Remuneration Sub-group.
c. Consider revisiting leave entitlements for EPAL staff to improve equity while recognising expatriates' leave benefits. • We recommend discontinuing leave encashment, as it contradicts the fundamental purpose of annual leave entitlements, which is to ensure staff take adequate rest and recovery. • SPREP may consider allowing the carryover of unused annual leave for a specified period or up to a	**Note for action within next 12 months.** Comments: EPAL leave entitlements are currently benchmarked against reference market for EPAL staff, which is the local market. Note purpose of leave to ensure staff take adequate rest and recovery. The Secretariat will review and consider recommendations on EPAL leave entitlements, leave encashment and carryover of unutilised Annual Leave considering other factors including organisational capacities, expectations and delivery on priorities.	Agree with Secretariat

maximum number of days to provide flexibility while maintaining the integrity of the leave policy.		
d. Enhance transparency in salary calculations by providing staff with clear explanations on exchange rate usage and benefits allocation - particularly during recruitment to avoid any misunderstandings.	**Note for action within next 12 months.** Comments: Progress already made to ensure there are clear salary calculations during recruitment, job descriptions, and during initial offer of employment. Refresher sessions on staff entitlements are ongoing.	Agree with Secretariat
e. Strengthen recruitment and retention strategies, including improving housing allowances to match actual market costs.	**Note for action within next 12 months.** **Any financial implications on the Secretariat will be considered in the 2027 budget process.** Comments: Housing allowance will be reviewed in line with outcomes of this Remuneration Review. The Secretariat will continue to review initiatives for strengthening recruitment and retention.	Agree with Secretariat and noted the update during the meeting on wider progress to improve recruitment and retention.
f. Engage with CROP Agencies to harmonise remuneration structures and minimise internal competition.	**Note for action within next 12 months.** **Any financial implications on the Secretariat will be considered in the 2027 budget process.** Comments: The Secretariat has been actively participating in the revived CROP Harmonisation Working Group. The Secretariat has been active in reviving the CROP Remuneration Subgroup under this wider Harmonisation Working Group.	Agree with Secretariat and commended SPREP for it's efforts to re-start the CROP Harmonisation Working Group Remuneration Sub-group.

	A Workplan has been developed to progress matters for harmonising principles that guide remuneration across the 4 participating agencies: FFA, PIFS, SPC and SPREP The proposal for updating the SPREP salary structure to the 2024 CROP market, on assumption everyone moves to the mid-point, has an initial estimated cost of USD1.6m. Spreading this over 5 years requires about USD219k per annum. Against the CROP mid-points: SPREP lags PIFS by 4% SPREP lags SPC by 1.6% (Band 18 midpoint ahead of SPC by 1.6%) SPREP lags FFA by 1.5%	
g. Review job sizing and placement of jobs in bands across the organisation (review internal relativities). • Over time, as organisational strategies and priorities evolve, the accountabilities and responsibilities of positions may shift, potentially impacting their job size. Therefore, conducting a comprehensive review of internal relativities across the organisation is essential to ensure that positions are appropriately placed within the correct job bands and aligned with the appropriate remuneration ranges.	**Note for action within next 12 months.** **Any financial implications on the Secretariat will be considered in the 2027 budget process.** Comments: This organisation wide Job Evaluation Exercise is in the pipeline to be completed with Strategic Pay in Quarter 4 of 2025. A proposal has already been received from SP.	Agree with Secretariat

2. MEDIUM-TERM PRIORITIES (*1 to 2 years*)

REMUNERATION REPORT RECOMMENDATIONS	COMMENTS FROM SECRETARIAT	MEMBERS WORKING GROUP POSITION
a. Maintain a structured salary progression framework linked to performance-based incentives, similar to international best practices. • While SPREP currently has a framework in place, budget constraints have led to the adoption of one-off payments instead of structured salary progression. To ensure long-term retention and motivation of staff, SPREP should explore sustainable approaches to integrating performance-based salary increments while balancing financial feasibility.	**Note for action within next 12 - 24 months.** **Any financial implications on the Secretariat will be considered in the 2027 budget process.** Comments: Budget constraints have been a major factor in the non-implementation of any performance-based salary increments. One-off bonuses was a measure to address staff performance. The review of the Secretariat's Performance Development Plan is in the pipeline for completion in Quarter 4 of 2025. The Secretariat will review and explore sustainable approaches to integrating performance-based salary increments while balancing financial feasibility.	Agree with Secretariat
b. Conduct comparative benchmarking with global organisations such as the UN and ADB to help SPREP stay informed of broader international trends. However, from a remuneration strategy perspective, the Members' Working Group supports alignment with CROP Agencies and other regional organisations as the primary reference point.	**Note for action within next 12 - 24 months.** **Any financial implications on the Secretariat will be considered in the 2027 budget process.** Comments: Comparative benchmarking against global organisations could be an item for consideration at the CROP Remuneration Sub-Group, under the broad umbrella of the CROP Harmonisation Working Group.	Members noted the preference to continue to use CROP agencies as the priority reference market with the other international organisations tracked for noting.

	The Secretariat has been actively engaged in reviving the CROP Harmonisation Working Group and CROP Remuneration Sub-Group.	
c. Expand investment in professional development to improve career growth opportunities and retention.	**Note for action within next 12 - 24 months.** **Any financial implications on the Secretariat will be considered in the 2027 budget process.** Comments: The Secretariat has continued, where affordable and where possible, to provide and pursue opportunities for ongoing professional development. Budget constraint is a factor in the progression of dedicated professional development to improve career growth opportunities and retention. The Secretariat will require time for consideration and budget planning for sustainability.	Agree with Secretariat
d. Enhance taxation policy discussions with relevant governments to explore more equitable salary structures.	**Note for action within next 12 - 24 months.** **Any financial implications on the Secretariat will be considered in the 2027 budget process.** Comments: Discussion took place in 2024 and 2025 with the Samoa Government. Clarity has been provided that consideration of any preferential tax treatment is not an issue to be considered or pursued further at this stage. Tax Equalisation could be for consideration at the CROP Remuneration Sub-Group, under the broad umbrella of the CROP Harmonisation Working Group.	Agree with Secretariat

e. Conduct a Gender Pay Equity Review to address any potential disparities, particularly in areas where salary progression differs between employment categories.	**Recommendation noted.** Comments: The report notes no significant gender pay gap exists within either the EPAL or EPAI categories - the apparently large gap at the overall level arises due to different pay practices between EPAL and EPAI categories, with EPAL being female dominated. Secretariat notes this observation and will continue to ensure that safeguards are in place to address any potential inequities relating to gender pay that may arise in future. SPREP recruitment remains a merit-based one.	WG noted there are no significant gender pay gaps and that rather than conducting a further review this continues to be monitored, and action taken to close gaps where they exist. Noted option for a further pay band for EPAL to be considered.

3. LONG-TERM PRIORITIES *(2 to 3 years)*

REMUNERATION REPORT RECOMMENDATIONS	COMMENTS FROM SECRETARIAT	MEMBERS WORKING GROUP POSITION
a. Review the CROP Harmonised Banding System in relation to reference markets used to inform band midpoints, whether this is practicable and sustainable at the same. This will require consultations across participating CROP Agencies as this would impact consistency.	**Note for action within next 24 - 36 months.** Comments: To be considered at the CROP Remuneration Sub-Group, under the broad umbrella of the CROP Harmonisation Working Group.	Agree with Secretariat
b. Maintain periodic benchmarking against selected international organisations to stay informed of global remuneration trends and practices. This supports ongoing	**Note for action within next 24 - 36 months.** Comments: To be considered at the CROP Remuneration Sub-Group, under the broad umbrella of the CROP Harmonisation Working Group.	Agree with Secretariat

pulse checks and ensures SPREP remains aware of broader developments, while continuing to prioritise regional alignment (i.e. CROP) and financial feasibility.		
c. Enhance non-financial benefits, including flexible work arrangements, wellness initiatives, and improved retirement plans.	**Note for action within next 24 - 36 months.** Comments: The Secretariat notes there are ongoing initiatives under the People Strategy to explore non-financial benefits for the staff. These could also be considered at the CROP Remuneration Sub-Group, under the broad umbrella of the CROP Harmonisation Working Group.	Agree with Secretariat
d. Continue partnerships with funding agencies to support sustainable remuneration reforms.	**Recommendation is noted.** Comments: The Secretariat notes the continuous partnerships with donors and funding agencies and will continue to explore dedicated funding support for sustainable remuneration reforms.	Agree with Secretariat and Members noted the importance of the implementation of the financing and resourcing strategy as relevant here to continue focusing on developing further partnerships for sustainable financing.
e. Establish a gender-balanced leadership program to ensure equal representation in senior roles and high-paying job bands.	**Recommendation is noted.** Comments: SPREP recruitment remains a merit-based one. The Secretariat has continued, where affordable and where possible, to provide and pursue opportunities for ongoing	Agree with Secretariat and Members noted that SPC has women in leadership programme that has made good progress which SPREP could look to too.

	professional development including leadership programmes across the organisation.	
f. Contract Tenure: Conduct consultations and review the contract tenure period • SPREP currently applies a 6-year rule, which, when assessed against the organisation's need to retain critical and scarce talent, presents challenges and may contradict its long-term workforce retention objectives.	**Note for action within next 24 - 36 months.** Comments: These could be considered at the CROP Remuneration Sub-Group, under the broad umbrella of the CROP Harmonisation Working Group. The four participating CROP agencies have all adopted different applications of the 6-year rule. FFA – post is advertised after 6 years PIFS – can be 9 years before a post is advertised: 3 + 6 SPC – can be 12 years before a post is advertised: 6 + 6 SPREP – 6-year rule applies to SLT only. Others renewable based on performance.	Agree with Secretariat and Members welcomed the clarifications of the six year rules noting the DG's remit to implement the Staff Regulations except where there are substantial budget implications.