I. INTRODUCTION

The Management Action Plan (MAP) provides both short-term and long-term strategic roadmaps for the improvements in the Government of the Republic of Palau envisioned to take place during the second term of President Tommy E. Remengesau, Jr. and new Vice-President Elias Camsek Chin (2005-2008). The Plan expands upon the specific short and long-term recommendations that were developed in the President’s first term, through the review and analysis of a number of National Planning Documents and through a comprehensive process of governmental management and employee interviews.

Planning Documents consulted included the following major planning documents: The Palau 2020 National Master Development Plan; the 2000 JICA Final Report (“The Study for Promotion of Economic Development in the Republic of Palau’); The Public Sector Investment Program (PSIP), The Cost Reduction Plan; the Palau National Committee on Population and Children (CoPopChi); The Palau National Youth Policy; and the National Biodiversity Strategy and Action Plan (NBSAP). Other national program specific planning documents were also consulted and integrated into the Report (See Attachment II). – Revise Attachment II

The MAP also takes into account and integrates the Millennium Goals and Targets established in the United Nations Millennium Declaration. (See Section IV)

A. Time Frames

The MAP recommendations have once again been developed within the context of phased time frames for implementation. The establishment of different time frames is based upon the recognition that certain programmatic and structural improvements can be achieved in a relative short period of time while others will require a longer developmental period to complete. Implementation time frames are as follows:

- The First Year
- The Second Year
- The Third Year

This phasing of the recommendation recognizes that the capacity of the government to undergo change must be reasonably limited to the capacity of the government workforce to bring about real and substantive improvements to the current government structures and policies.
B. MAP Structure

The MAP is structured to parallel the current government structure. In other words, analysis is organized by Ministry rather than by sector. It was felt that this structure would facilitate real changes in governmental entities rather than produce broad statements of actions that were not tied to actual working organizations. Sectoral analysis in the previously mentioned planning documents were consequently placed under ministerial and agency headings. In addition to this approach, the MAP also addresses certain concerns, and makes recommendations regarding those concerns, on a government-wide basis.

C. Focus of Report

As a roadmap document, the MAP continues to focus on identifying and implementing measures that will enhance the performance of the National Government over the coming years. It is therefore intended that the MAP continue to serve as a ‘living’ document that will be periodically revised in order to conform with governmental realities and needs over time. The MAP does not identify infrastructure project requirements and timelines. This has been accomplished through the development of the Public Sector Investment Program. Together, these two documents will then serve to establish a comprehensive foundation for a strong and expanding economy and an efficient governmental work force during the first decade of the New Millennium.
II. OVERVIEW

In 2001, management and employees throughout the government were interviewed regarding the strengths and weaknesses of all government ministries, departments, divisions, agencies and entities to determine, from those most knowledgeable about each operational entity, the strengths and weaknesses of such entities. It became quite clear from these discussions that weaknesses, across the board, relate to two basic aspects of each organization. These are 1) Management and 2) Maintenance.

A. Management

Four general aspects of management are deemed to be crucial in order for operational entities to succeed in developing vibrant work forces that effectively and efficiently support the mission, goals and objectives of that entity. These include:

1. Program Planning -- The degree to which management has developed a cohesive, practical planning structure or proper planning mechanism that sets forth the missions, goals and objectives for the organization.
2. Functional Management Direction -- The degree to which management has provided day-to-day operative direction to staff in line with responsibilities established by statutory or regulatory authority.
3. Innovative Management -- The degree to which management has provided creative work options to meet the dynamic needs of the work force and the innovative identification of potential funding sources and alternate actions that accomplish identified goals within current funding resources.
4. Work Ethics -- The degree to which the work ethics of operational staff has failed to meet stated goals and objectives and the relation of such ethics to the management of the organization.

Within the scope of the current administrative structure, financial resources and planning framework, prior administrations brought forth significant improvements in the work performance of the National Government. We can all be proud of our national workforce for their inspired efforts. However, at the beginning of this Administration, it was strongly believe that many improvements in the delivery of governmental services could be achieved through the comprehensive improvement of strategic planning mechanisms. A 2001 review of the existing planning structure indicated that in a number of governmental entities, planning frameworks were either non-existent or too generally expressed to permit the development of clear missions, goals and objectives. This lack of cohesive goals and objectives resulted in a lack of effective day-to-day operation. Without a clear outline of the tasks required of them, many government employees had been left without a precise definition of their job responsibilities. This resulted in an uneven delivery of services throughout the government. From 2001 through 2004, great effort was given to developing and strengthening these strategic planning mechanisms within the context of the new Performance Budgeting system.
In addition to this clear lack of operational visions, there also existed a lack of functional management direction. In other words, even where clear goals and objectives existed, management failed to convey such goals and objectives and further failed to ensure that staff undertook to meet the stated goals and objectives. This lack of effective management oversight has diminished the quality of service delivery to the public.

Within this context, there also existed a significant lack of innovative management. This may partially stem from the failure to enunciate clear goals and objectives. With a lack of clearly defined work goals, it was difficult to imagine creative management. A prevailing management notion was that improvements to services provided were solely contingent on the receipt of additional program funding. While this is true in some cases, in most instances, significant improvements to the level of services provided could be achieved through logical prioritization, streamlining work procedures and improving inter-agency cooperation. This lack of innovative management also stemmed from a lack of appropriate delegation from higher management. It is difficult to be creative when a manager does not, in fact, have clearly defined management responsibilities. Without such clear responsibilities, a manager is unable to implement procedures for staff that respond to the unique needs of the operation.

Finally, the work ethics of the employees in many organizations was found to be lacking. Once again, this probably related to all of the management deficiencies discussed above. Without clear and enunciated organizational objectives, without day-to-day interaction with management, and without innovative and active management involvement in solving problems, it was not surprising that many government employees had not demonstrated the work ethic expected of them.

Because of these identified operational and management deficiencies, and in order to repair and enhance the efficiency of the National Government, a major emphasis was given to improving management in each of these areas. By emphasizing improved planning, hands-on management and by providing managers with an environment that encourages innovative approaches, the efficiency of the government was greatly enhanced within its current funding and staffing levels.

Due to the implementation of these more effective management structures, efficiencies were developed that permitted the restructuring of the government. In Executive Order No. 203, 21 Divisions and 1 Bureau were eliminated, resulting in annual savings of almost $600,000.

It is imperative that the effort to strengthen management continue at every level of the government. To accomplish this goal, further analysis is required and additional reorganization of the government structure is necessary.

B. Maintenance
In addition to the problems with management planning and implementation, there also existed no clearly enunciated maintenance program for the National Government. As the National Government continues to grow, and as demands for its resources begins to increase, maintenance requirements, if neglected, will progressively become a significant drain on the national operating budget and the operational capabilities of each government entity.

This lack of a comprehensive government-wide maintenance program has led to higher equipment replacement costs and facilities improvement requirements. It has also led to a situation where, in many cases, no maintenance program exists at all. Much work was therefore dedicated to improving the delivery of maintenance services. This effort must be expanded and institutionalized during the next four years in order to respond to the completion of the Compact Road and the National Capital.
III. GUIDING PRINCIPLES

Recognizing these deficiencies, both in the realm of management and maintenance, and further recognizing the necessity of improving the provision of government services within the scope of a limited revenue base, it is imperative that all management improvement initiatives be undertaken within the context of a set of ‘Guiding Principles’. Following these principles will permit management to apply a consistent approach to every governmental entity and operation. The guidelines will also ensure that the administration takes into account the many different interests that will be affected by resulting changes in governmental operations (public sector, private sector, general community, etc.)

The following guidelines are offered as a starting point for the administration’s improvement efforts. These principles, if put into practice, should go a long way towards guarantying that the many diverse expectations of the public will be taken into account, that equivalent standards and expectations will be applied to all governmental organizations and that clearly defined goals and objectives will be arrived at.

A. Goals and Objectives

To improve the quality of life of the People of Palau

- To incorporate traditional values into the decision making process
- To establish institutions and policies for Palau that will guide it toward achieving economic sustainability
- To assist in the development of the private sector
- To minimize disruptions to the private sector
- To shift resources, where possible, from the public to the private sector and to minimize governmental intervention in the private sector
- To recognize the greater efficiency of the private sector and defer to the private sector where it is capable of providing services
- To increase human resource training and development through all sectors of the economy in order to attract and retain Palauan workers with an eye toward expanding training opportunities for the private sector
- To continue to upgrade and develop Palau’s infrastructure to act as a catalyst for a strong private sector growth and foreign direct investment
- To integrate environmental planning in all developmental planning efforts
- To diversify economic opportunities
- To create a stable, predictable and internationally competitive macro economic environment for private domestic and international investment
B. Services  
To focus on quality services while aiming to reduce costs

- To pursue cost savings through improved efficiencies and process changes
- To emphasize customer service and to bring government closer to the customer
- To improve access to an appropriate range of services
- To provide fair and equitable service delivery
- To pursue alternate service delivery options, such as privatization and public and private partnerships
- To meet public expectations through service standards and effective communication
- To improve the use of technology to meet service needs
- To work towards constant improvements in the delivery of services

C. Accountability  
To ensure accountability of representatives and staff

- To base accountability on well defined outcomes – (e.g., quality, cost, effectiveness, etc.)
- To link accountability to community input

D. Structure and Resources  
To create a viable organizational structure

- To streamline internal administration, eliminating duplication wherever possible
- To improve the coordination of the government's decision-making processes
- To clearly define the government’s function in relation to the private sector
- To use existing resources (e.g. furniture, computers and office space) wherever possible
- To ensure that management information systems are in place to monitor program effectiveness
- To staff restructured entities with existing employees whenever possible

E. People  
To ensure fair and considerate management of employee impacts

- To permit staff opportunities to give input on mechanisms for organizational improvement and restructuring
- To maintain ongoing and open communication with government employees
- To identify and fully utilize human resource competencies
• To minimize the impacts on employee transitions through the development and implementation of appropriate transition programs

F. Community

*To foster a strong sense of community while ensuring ongoing communication of the transition*

• To provide regular opportunities for the community to provide input and to contribute to the reform process
• To clearly define stakeholders in the community and ensure involvement
• To regularly inform the community of the progress of government work efforts
IV. SUSTAINABLE DEVELOPMENT GOALS

Within the context of the Guiding Principles enunciated in Section III, the Republic of Palau must, over the next decade, continue to strengthen its economic, environmental and social position through the development of strong and transparent sustainable development policies. These policies must not only prepare Palau for the cessation of the financial provisions of the Compact of Free Association with the United States (and their renegotiation), they must also work to maintain and strengthen the social fabric of the Palauan society. In addition to the Master Development Plan and its supplemental Planning documents, the economic policy must incorporate the Administration’s Economic Development Strategy Development Strategy Framework (“Framework”), the Cost Reduction Plan, mandated by RPPL No. 6-12(6), and the Millennium Development Goals established by the United Nations Millennium Declaration.


The Economic Development Strategy Framework is incorporated into the Cost Reduction Plan and mandates priority economic and fiscal policies that will guide the actions of the National Government over the next four years.

1. Economic Policies –

- **Economic Institutions** -- Develop economic institutions – establishing effective regulatory environments that facilitate strong private sector growth in key areas, such as banking, foreign investment tax and labor.

- **Infrastructure Development** – Develop infrastructure within a proper planning framework and expand capacity to maintain existing infrastructure areas including energy, water, sewer, communications and transportation.

- **Sectoral Development** – Develop sectors of the economy that have the potential to support sustainable economic growth, such areas as tourism, fisheries, aquaculture, agriculture financial services and trade.

- **Contain the Cost of Government** – Work to balance the National Government budget (actual revenues equal or greater than actual expenditures).

2. Fiscal Policies –

- **Expenditures** – Keep growth of expenditures below the rate of growth of revenues.
➢ **Revenues** – Realize sustained increases in revenues through the strengthening of collection efforts, the expansion of our revenue base and the aggressive pursuit of overseas development aid.

**B. Millennium Development Goals** –

A framework of 8 goals, 18 targets and 48 indicators to measure progress towards the Millennium Development goal was adopted by a consensus of experts from the United Nations Secretariat, the IMF, the OECD and the World Bank. These goals and targets were established to ensure that developing countries meet minimum levels of economic success by 2015. While Palau’s economy is more advanced than the economies of much of the developing world, the basic intent of these goals should be incorporated into Palau’s development planning structure.

**Goal 1.** Halve, between 1990 and 2015, the proportion of people whose income is less than one dollar a day;

**Goal 2.** Achieve universal primary education;

**Goal 3.** Promote gender equality and empower women;

**Goal 4.** Reduce child mortality;

**Goal 5.** Improve maternal health;

**Goal 6.** Combat HIV/AIDS, malaria and other diseases;

**Goal 7.** Ensure environmental sustainability; and

**Goal 8.** Develop a global partnership for development.

**C. Palau National Committee on Population and Children** –

The Palau National Committee on Population and Children (CoPopChi) established a number of sustainable development goals unique to Palau that are incorporated into this Management Action Plan. These goals recognize the severe pressures that will be faced by the Palauan people and culture over the next decade because of the potential rapid development of the economy. These goals recognize the need to control growth in order to ensure the future economic environmental and social well being of the Palauan people. The ten primary goals enunciate in the CoPopChi are as follows:

**Goal 1.** To maintain Palau’s population at a level which is environmentally culturally and economically sustainable.
Goal 2. To insure that the Palauan people retain a numeric majority of the population.

Goal 3. To reduce Palauan out-migration and to encourage overseas Palauans to return to Palau.

Goal 1. To develop Palau’s human resources and to enhance the productivity of Palauan labor with special emphasis on the needs of children and youth.

Goal 1. To create a “technologically rich” economy rather than a “job-rich” economy.

Goal 1. To stimulate controlled economic development in balance with the carrying capacities of Palau’s environment and infrastructure.

Goal 1. To collect and analyze comprehensive population and labor force information as a basis for policy formulation and development management.

Goal 1. To combat racism in all forms.

Goal 1. To preserve and protect Palau’s environmental resources for future generations.

Goal 1. To preserve and protect Palau’s cultural resources for future generations.

The Economic Development Strategy Framework, the Millennium Development Goals and the Palau National Committee on Population and Children strategies are all directed towards the sustainable development of Palau, from different perspectives. All of the goals and strategies are in line with the National Master Development Plan and should be viewed as complementary and essential for the development of our economy in this new Millennium. Specific strategies derived from each of these documents are found throughout the MAP.
V. GOVERNMENT WIDE INITIATIVES

As indicated above, every Ministry was initially analyzed within the context of guiding principles and basic management and structural concerns, each within the context of major national planning document recommendations and program specific planning document recommendations. Certain of these management and structural concerns were applicable across-the-board to all governmental agencies.

This analysis was expanded and legislatively institutionalized through the passage of the Budget Reform Act of 2001, which instituted a performance budgeting process throughout the government. As stated in the new law, performance budgeting was undertaken:

- To generate information that allows the determination of the extent to which national government programs and services are successful;
- To develop clear goals and priorities for national government agencies and programs;
- To strengthen governmental accountability to the People of the Republic of Palau by providing a record of the National Government’s performance in providing effective and efficient services;
- To create appropriate incentives and systems that will allow and encourage the best work by national government employees; and
- To establish a set of guidelines for the expenditure of CIP funding and monitoring at the national and state level.

This section reviews broad initiatives established to respond to these government-wide concerns, which leads into a ‘Situational Analysis’ and a set of reform recommendations for each Ministry.

In addition, Appendix I identifies reform recommendations and sets forth specific proposed actions, timeframes for implementation, lead agencies and estimated costs. This ‘schedule of recommendations’ will serve as the basis for the Administration's structural improvement plan over the next four years.

A. ORIENTATION PROGRAM --

The Administration should continue with its comprehensive orientation program in order to provide an opportunity to familiarize current and new officials with government procedures, including procurement, budgeting, finance and personnel.

B. MANAGEMENT TRAINING PROGRAM --

In conjunction with the orientation program, the government will continue to improve its management training program in order to develop and/or improve management skills in
the areas of record management, the use of technology in the workplace, strategic planning, administrative procedures and employee management.

**C. Performance Agreements --**

Performance agreements developed at the beginning of this Administration will be broadened and improved within the scope of the new performance budgeting system with appropriate management officials that clearly identify the management goals and objectives of the operational entity and clearly relate the government’s expectations of its managers as related to those goals and objectives. Such agreements should insure accountability and provide clear policy direction.

**D. Government ‘Right-Sizing’ Program --**

An *Inter-Agency Coordinating Group* (“IACG”) was created in 2001 through Presidential directive No. 01-001 to monitor the implementations of the MAP and to evaluate the effectiveness of agency implementation. Executive Order No. 203, which reorganized the government, was the result of the work of the IACG. This reorganization was an initial response to analysis of the performance and structures of government Ministries, Bureaus and Divisions. The IACG will continue this analysis over the next four years with a goal of further improving government performance. This effort will continue to focus on the following:

1. **Personnel Restructuring** – Where operational efficiencies or duplications are identified, restructuring options will be considered. Such restructuring always impacts government employees. It will therefore be the overriding concern of the government to minimize this impact through the improvement of the ‘Government Employee Transition Program’ developed in 2001. Because restructuring generally impacts personnel positions throughout the government, the Program will continue to stress provisions that respond to displaced employees needs, including:
   - A ‘Retraining and Placement Program’ for employees who must learn new skills;
   - A ‘Severance Pay Program’ to permit payments to employees who will leave the government as a result of restructuring in the Civil Service System; and
   - Effective job evaluation systems to promote productivity.

2. **Privatization of appropriate government functions**, where economically feasible, such as security and janitorial services, maintenance services, including repair services, and basic infrastructure services, to include water and sewer services, solid waste disposal and large government contracts.

3. **Reorganization by Attrition** – In order to minimize the impact on current government employees, it will continue to be the policy of the government to, where possible, time reorganizations to coincide with the retirement of certain management personnel. Within this context, it is anticipated that recommended
measures for improvement in services will be carried out under the current agency structures.

E. National Planning Committee --

While the National Planning Committee exists on paper through Executive Order No. 22, it has yet to organized. Elements of this planning structure have already been established, including the National Environment Protection Council (NEPC). In the next year, it is anticipated that the complete planning structure, incorporating all ministries and agencies, shall be implemented with the assistance of the United Nations Development Project (UNDP). This Planning Committee will be charged with coordinating implementation of the National Master Development Plan and other sector specific strategic plans.

F. Incorporate the Master Plan into the Planning Process --

The National Government will continue in its efforts to integrate the National Master Development Plan, along with its supplemental planning documents, into the planning process. The Master Plan has historically been unevenly applied and implemented by different agencies. While some governmental entities have implemented the Plan’s major recommendations, other entities have not undertaken any of the recommended planning actions. It will continue to be a primary goal of the Executive Branch to implement the strategies of the National Master Development Plan and other sector specific strategic plans into the annual budget process.

G. Develop State Revenue Options --

As the Republic continues to expand and as economic development begins to occur outside of Koror, it is imperative that states identify, in conjunction with the National Government, their own unique revenue generating options. These options should be complementary with, not in conflict with national revenue generation. This is especially true now that the Compact Road nears completion. It is therefore the goal of this Administration to establish a task force, with each state as a member, and with the technical assistance of the National Government, to identify quality revenue options and to then solidify those revenue options into law.

H. One-Stop Shopping --

It is time to rationalize private sector business requirements imposed by the government. In other words, a single location should be created to allow for document pick-up and processing by Palauan and Foreign businesses. A working group of appropriate agencies will therefore be established determine the viability of implementing a ‘One-Stop Shopping’ structure at a single location.
I. OFFICE OF THE PRESIDENT

A. Situation Analysis –

The National Environmental Protection Council and the Office of Environmental Response and Coordination

The Office of the President established the National Environmental Protection Council (NEPC) and the Office of Environmental Response and Coordination (OERC) in 2001 in order to integrate environmental issues into the overall planning process of the National Government.

The NEPC is an advisory Council composed of environmental leaders from the public and private sector and has the following duties and functions:

- To identify and prioritize national environmental issues within the context of sustainable development within the Republic of Palau;
- To propose a comprehensive sustainable management plan highlighting the Republic’s national priorities and policies;
- To establish clear, concise, documented and endorsed national guidelines for environmental programs and projects pursuant to established priorities;
- To comment on all proposed public and private development projects to ensure environmental sustainability and integrity;
- To propose legislation to protect the environment; and
- To serve as the focal coordinating group for all environmental initiatives at the national level.

The OERC, located in the Office of the President, serves as the Secretary of the NEPC and was created in the Office of the President to accomplish the following:

- Provide coordinated planning and staffing for the Nation’s response to issues of global climate change, biodiversity, desertification, land degradation and other internationally identified and funded environmental initiatives;
- Develop a broad and coordinated planning approach to all issues of environmental response in the Republic of Palau;
- Integrate all governmental environmental programs in Presidential environmental response planning;
- Establish a coordinated grant writing capacity on all environmental issues faced by the Republic and to assist environmental support agencies in the development of funding assistance for environmental programs in Palau; and
- Permit economies of scale in the government’s staffing of environmental programs funded by international agencies.
The establishment of these entities has resulted in an expanded involvement by Palau in international environmental treaties and conventions resulting in a more precise definition of the issues that face Palau on the environmental front. It has also resulted in the development of broad environmental planning documents to respond to issues in areas such as biodiversity, climate change, biosafety, waste management, ozone depletion, resource management and resource valuation. Through this process of environmental management, planning, involvement and interaction, it has become clear that a revised and expanded organizational and management structure may be necessary if Palau is to effectively respond to the environmental issue that it will face over the next decade, especially in light if the expanding economy.

It is therefore imperative that these two entities work with the Interagency Coordinating Group to identify and articulate an appropriate Executive Branch structure to meet these structural needs during this time frame.

**The Inter-Agency Coordinating Group**

The Inter-Agency Coordinating Group (IACG) was created by Presidential Directive No. 01-001 in January of 2001 to monitor the implementation of the Management Action Plan. The work of the IACG resulted in the reorganization of the Executive Branch through Executive Order No. 203.

During the next four years, the IACG must continue to vigorously monitor the MAP and to determine appropriate efficiencies through reorganization. In this effort, the IACG must continue to work closely with affected agencies within the Executive Branch.

In reviewing the Ministry of Justice, the IACG should focus on and make recommendations regarding the consolidation of the Division of Labor under the Bureau of Immigration; the merging of the Divisions of Marine Law Enforcement and the Division of Fish and Wildlife Protection; the transfer of airport fire/crash services to the Ministry of Commerce and Trade, the transfer of the responsibility to inspect and license marine vessels to the Division of Transportation; the transfer of the Office of the Attorney General under the Office of the President to prevent issues of conflict of interest and the transfer of the responsibility to maintain navigational aids to the Division of Transportation. Within the context of a comprehensive revision of Palau’s corporate laws, the Ministry should also look to transfer the Division of the Corporate Registries to the Ministry of Commerce and Trade.

The development of agriculture and aquaculture, within the context of environmental protection, are high priorities of the current administration. It is therefore critical to ensure that the current organizational structure within the Ministry of Resources and Development provides the necessary support and structure to achieve these two goals. Consequently, the organizational structure of the Bureau of Agriculture and the Bureau of
Marine Resources must be reviewed to give clear functional direction to each current division, and to restructure existing divisions, where appropriate.

16. Consolidate plumbers in Water and Sewer Connection Branch to improve their efficiency in the handling all water and sewer hoop-up requests.

B. Recommendations

NEPC and OERC

Many of the following recommendations will involve the participation and direction of different Ministries, Bureaus and Divisions within the National Government. They may also involve participation, and even direction, of the States and the private sector. However, due to the very broad nature of these important environmental issues and impacts, many of the environmental recommendations for the next four years are located here under the Office of the President.

1. Work with the Environmental Quality Protection Board to prepare an Annual State of the Environment Report
2. Work towards the passage of legislation funding the National Tourism Unit
3. Work with EQPB to develop infrastructure, completion, and environmental impact fees legislation
4. Work with the States and PVA to develop dive site management plans
5. Work with EQPB to strengthen enforcement of illegal dumping of fishing vessel waste and to develop infrastructure capacity to handle such waste.
6. Gain passage of legislation that focuses on the protection, restoration, and enhancement of coral reefs and marine resources
7. Review current EQPB law and make appropriate legislative amendments to improve enforcement and to streamline procedures
8. Work with the Ministry of Administration and the Ministry of Resources and Development to compile data on greenhouse gasses on an annual basis
9. Work with the Ministry of Resources and Development and the Ministry of Administration to review and enhance systems and processes for the collection of data relevant to pollution control
10. Work with EQPB to review and enhance minimum standards for solid waste disposal
11. Work with the Ministry of Resources and Development and the EQPB to establish comprehensive recycling program throughout the Republic
12. Work with EQPB to review, update and strengthen the enforcement of standards for chemical use
13. Work with the Ministry of Resources and Development and the EQPB to review existing environmental laws to strengthen environmental protection
14. Work with Ministry of Finance, the Ministry of Resources and Development, the Palau Visitor’s Authority and the States to review and establish financial mechanisms to finance environmental protection efforts and initiatives.

15. Work with the Ministry of Resources and Development to Implement the *National Biodiversity Strategy and Action Plan* through the following actions:
   - Establish an implementation coordinator position within the Ministry or Resources and Development
   - Establish local experts panels
   - Identify all regional and international agencies and organizations that can provide funding and technical assistance
   - Establish a formal clearinghouse mechanism to ensure continual assessment of government agencies, statutory bodies, non-governmental organizations, local communities and the private sector
   - Establish an achievable and measurable monitoring plan stressing coordination between the National Government and state governments
   - Develop reporting mechanism to effectively distribute updates and progress reports on all biodiversity related programs and activities

*IACG*

16. Review and make recommendations on the appropriateness of incorporating the Division of Labor, currently within the Ministry of Commerce and Trade, into the Bureau of Immigration.

17. Review and make recommendations on the appropriateness of Consolidating plumbers in Water and Sewer Connection Branch to improve their efficiency in the handling all water and sewer hoop-up requests.

18. Review and make recommendations regarding the appropriateness of transferring the responsibility of inspecting and licensing marine vessels from the Division of Marine Law Enforcement, currently within the Bureau of Public Safety, to the Division of Transportation, within the Ministry of Commerce and Trade.

19. Review and make recommendations on the appropriateness of transferring the responsibility of maintaining navigational aids from the Ministry of Justice to the Ministry of Commerce and Trade (Division of Transportation).

20. Review and make recommendations on the appropriateness of transferring the Fire and Crash Services at the National Airport, currently in the Ministry of Justice (Division of Fire and Rescue), to the Ministry of Commerce and Trade (Division of Transportation).

21. Review and determine the viability of altering and moving the current administrative and enforcement functions of the Foreign Investment Board to the Bureau.

22. Review and make recommendations regarding the appropriateness of transferring the Division of Corporate Registries to the Ministry of Commerce and Trade within the context of a comprehensive Corporations law.
23. Review and make recommendations regarding the appropriateness of transferring the Office of the Attorney General under the President to prevent conflict of interest issues with the other Bureaus within the Ministry of Justice.

24. Review and make recommendations regarding the appropriateness of establishing a Bureau of Resources and Development within the Ministry of Commerce and Trade, with a Division of Terrestrial Development and a Division of Marine Development.

25. Review and make recommendations regarding the appropriateness of establishing a Division of International Trade and Technical Assistance within the Ministry of Commerce and Trade to oversee issues of international trade and technical assistance.

26. Review and make recommendations regarding the appropriateness of establishing a Ministry of Environment and Tourism, with the following Bureaus and Divisions:
   - Bureau of Natural Resources Conservation (New Bureau)
     - Division of Terrestrial Resources Management (Currently the Bureau of Agriculture within MRD)
     - Division of Marine Resource Management (Currently the Bureau of Marine Resources within MRD)
     - Protected Areas Network Office (New Office)
   - Bureau of Environmental Policy and Coordination
     - Division of Grants Development and Technical Assistance
   - Bureau of Tourism Policy and Management

27. Review and make recommendations regarding the appropriateness of establishing a Bureau within the Ministry of Resources and Development to oversee natural resource exploration.
VII. MINISTRY OF HEALTH

A. Situation Analysis --

The Health Care system in the Republic represents approximately 15% of the national government’s operational costs. As with other nations, this cost center has the potential to grow to such a degree that other essential governmental services may be limited. It is therefore clear that a rational financing scheme must be instituted for the new millennium in order to permit improved services. To begin this process, the Executive Branch initiated a health insurance plan for government employees in 2004. An extension of this plan, to include employer contributions, will be proposed in early 2005. This is the first phase in a more comprehensive universal health plan for both government and private sector employees.

Major infrastructure and service improvements have been made to the Hospital in the past four years. Improvements have emphasized the establishment of clear goals and a strong management structure in order implement enunciated objectives. The administrative structure was streamlined by Executive Order No. 203 for greater efficiency and greater accountability at the management level. In order to ensure smooth operation, an efficient procurement process has also been established. Finally, improvements have been made in the Ministry’s collection practices, although further improvements can be expected.

B. Recommendations

1. Extend current government employee health insurance options, to include government contributions.
2. Expand upon the current government health care insurance program through the establishment of a comprehensive National Health Care Financing Plan with the following broad elements:
   - The healthcare system must be comprehensive and broad-based;
   - The basic health care plan should provide medically necessary services and supplies;
   - The healthcare system must be fiscally sustainable;
   - The funding sources for the healthcare system must be broad-based and equitable;
   - The healthcare plan should provide meaningful medical care choices to patients and foster the development of private healthcare services in the Republic;
   - The healthcare plan should guarantee basic healthcare coverage and provide options for extended coverage;
   - Capital improvement costs should be integrated into the financing of the Plan;
   - Private medical institutions should be supported under the plan; and
1. Improved collection measures should be implemented to insure payment for services
3. Connect all Super Dispensaries with the Ministry of Health Computer System.
4. Install a new Health Information System to accommodate all health and financial needs of the Ministry of Health.
5. Begin construction of the new Public Health Building in Koror to house all Public Health programs and to accommodate all public health care needs for all residents of Koror.
6. Privatize hospital services including kitchen services, facilities and equipment maintenance and laundry services.
7. Continue to improve and increase hospital collections, to $1.5 million by 2005.
8. Strengthen enforcement of licensing standards.
9. Review off-island medical referral options, focusing on quality of services, cost and accessibility.
10. Continue to upgrade all health care facilities, to include the following:
   - Renovate and repaint the hospital;
   - Complete the overhaul and upgrade of the hospital oxygen system;
   - Construct Central ICU (Intensive Care Unit) in 2005;
   - Install permanent electrical power to Peleliu Super Dispensary in 2005;
   - Complete overhaul of all 4 Air Handling Units for Hospital Central Air-Conditioning System;
   - Construct Clinical Nursing Office adjacent to Surgical Ward hallway;
   - Construct additional warehouse space for medical supplies;
   - Renovate the Emergency Room to accommodate mass casualties in case of big accidents or disasters;
   - Resurface parking lot (with concrete) and mark parking stalls around the hospital;
   - Replace Operating Room hot water boiler;
   - Renovate and repair hospital roof leaks; and
   - Tile the Medical, Surgical and Obstetrics wards floors.
11. Develop strategic plan to reduce by two-thirds, by 2015, the under-five mortality rate (Millennium Development Goal 4 – Target 5)
12. Develop strategic plan to reduce by three quarters, by 2015, the maternal mortality ratio (Millennium Development Goal 4 – Target 6)
13. Develop strategic plan to halt, by 2015 and begin the reversal of the spread of HIV/AIDS (Millennium Development Goal 7)
14. Develop strategic plan to halt, by 2015 and begin the reversal of the incidence of major diseases (Millennium Development Goal 8)
VIII. MINISTRY OF EDUCATION

A. Situation Analysis --

The Ministry continues to implement the Palau 2000 Master Plan for Educational Improvement. This is an ongoing activity. The Palau 2000 Master Plan has six priorities:

1. Professional personnel and certification system,
2. Partnerships with families and the community,
3. Improving standards to bring the real world into curriculum and instruction,
4. Governance and policy setting,
5. Preschool and kindergarten education, and
6. Facilities.

In terms of certification programs, a teachers certification system had been submitted by the President to the OEk, which has indicated a preference for the testing of teachers and other MOE employees first. PCC has been established as a test center for PRAXIS, a U.S. national teachers examination that will be administered to all teachers and other MOE employees. The OEk has yet to fund the costs of the testing. The principals certification system was submitted to the President in January 2003. It is critical that these certification programs be funded and finalized.

In terms of governance and policy setting, the restructuring of MOE administration based on Executive Order 203 has resulted in more effective and efficient administration and management of the ministry and its programs.

Major facility repairs at the Ngarchelong, Ngardmau, Ngiwal, Ngeremlengui and Airai elementary schools have been completed. The MOE also established and implemented an effective facilities maintenance program for school facilities and equipment at all levels of the education system. This system includes a new electronic facilities database of all MOE buildings and structures. Discussions regarding school, consolidation, especially at the high school level, must be completed and funding identified and implementation begun.

Very significantly, the MOE has developed indicators providing outcome and efficiency measures including quarterly student grades, Palau Achievement Test scores, student absenteeism, teacher absenteeism, retention rate, dropout rate, and graduation rate. These indicators must be improved and expanded to ensure that the performance of our children and teachers is closely monitored and thereby improved over time.

Because resources are limited, expenditures must be monitored on a continual basis. One area of clear concern is food services. In line with a MAP recommendation, the MOE completed a food service study that recommends a fee schedule for parents to share the cost of the food service program. Implementation of these recommendations must be given serious consideration.
B. Recommendations

1. Continue with the implementation of the strategies of the Palau 2000 Master Plan for Educational Improvement.
2. Review, and where appropriate, implement the strategies recommended in the CoPopChi in order to equip Palauans with skills and attitudes required for nation-building (CoPopChi Goal 3).
3. Implement and fund the Teacher and School Administrator Certification Programs.
4. Continue to move forward on the review of the school consolidation program and provide strategies for timely implementation.
5. Implement the MOE food service program recommendations.
6. Establish a comprehensive framework for prioritizing scholarship needs in line with identified national labor priorities and requirements.
7. Develop and Implement a personnel manual.
8. Develop and Implement a policy manual.
9. Implement electronic data management system.
10. Continue to implement education programs that advance character, health and environmental education.
11. Develop strategic plan to ensure that, by 2015, boys and girls alike will be able to complete a full course of primary schooling (Millennium Goal 2 – Target 3).
12. Develop strategic plan to ensure that affordable drugs are available to all Palauans (Millennium Goal 2 – Target 3).
IX. MINISTRY OF FINANCE

A. Situation Analysis

The Ministry of Finance has made many improvements to the government’s administrative, personnel and financial systems over the last four years. However, the process of establishing a modern structure that spurs the development of efficient governance is not yet complete. The successful completion of this process of modernization will be crucial for other ministries and agencies in their own modernization efforts. It will also be crucial for a balanced growth of the private sector. In the area of budgeting, government-wide improvements must be implemented to assist programs to plan and monitor their activities. In addition, the planning structure must be improved to facilitate this process and to integrate itself with the budget process. Statistical data gathering must also be improved in order for the government to have the tools to evaluate its programs and monitor the progress of economic development. Finally, tax collections must become institutionalized through rational statutory and administrative improvements that promote, rather than hinder, economic growth.

It is imperative that all of these activities occur simultaneously in order to establish the foundation for an orderly government process that maximizes service delivery and minimizes the cost of those program activities. Within the scope of this revenue gathering effort, improvements must be made to fee structures that rationally charge the cost of services to actual users. Additionally, development projects must be charged with their fair share of infrastructure costs through the implementation of a fee impact policy. Finally, financial systems must be put into place to coordinate and manage financial aid.

In the area of government personnel, the current effort to rationalize the civil service system by providing concise job descriptions and fair salary ranges must be completed to enhance the most important element of the government system, its employees. It is crucial that the Government’s wage and salary schedule be improved to reflect real work product and to equate salary scales to one another.

Without these basic administrative systems in place, the government is helpless to monitor and guide the economic development of the nation. They must therefore be given a maximum priority in the years to come.

Recommendations

1. Reform the National Tax System within the following parameters:
   ▪ Reduce opportunities for tax evasion by strengthening enforcement and administrative provisions and thereby increase collections;
   ▪ Design the new tax system to be more efficient and equitable;
   ▪ Emphasize broadening the tax base at low rates, thereby maintaining the Republic’s tax haven status;
   ▪ Make the tax system administratively simple and enforceable;
Analyze the viability of establishing an excise taxes to protect locally produced commodities;

Establish a tax structure that permits foreign investors to take credits in their own countries to act as incentive to foreign investment;

Analyze the viability of replacing the Gross Revenue Tax with a Profits Tax or Sales Tax;

Reconsider the viability of establishing a Value Added Tax to eventually replace the current import tax structure, thereby fulfilling the Republic’s commitment to joining the proposed new regional trade agreement; and

Establish a non-discriminatory investment tax environment

2. Review and reform the Wage and Salary Schedule as follows:
   - Increase the level of real remuneration of senior civil servants and, at the same time, make these positions more accountable for output and performance through a strategic planning process and performance agreement system
   - Reduce, over time, the level of real remuneration for less skilled civil servants and expand the classification levels to orient employees’ demand toward promotion rather than general wage increases
   - Tie pay increases to productivity improvements and not to inflation.

3. Develop and establish a statistics framework for statistical data gathering and dissemination.

4. In conjunction with the Ministry of Resources and Development, establish an impact fee structure to finance infrastructure improvements and expansions.

5. Develop a policy and structure for user fees.

6. Establish comprehensive and uniform standards and policies for information technology acquisition.

7. Centralize and upgrade the government’s procurement system.

8. Strengthen the government’s employee counter-part system.

9. Develop and implement an efficient, organized document management system.

10. In cooperation with all Executive Branch agencies, conduct a Management Information Systems needs assessment including the identification of training requirements in order to expand utilization of existing technology to meet communications and reporting (information dissemination) requirements in order to minimize telecommunications costs.

11. In cooperation with the Palau National Communications Corporation (PNCC), review existing government local area networks (LANs) and develop the framework to establish a Wide Area Network (WAN) for the entire government with the aim of reducing telecommunications costs.

12. In consultation with governmental agencies, review and develop for implementation comprehensive and uniform standards and policies for information technology acquisition with the aim of reducing long-term telecommunications capacity maintenance and integration.

13. Review and establish on-line purchasing capacity for the centralized government procurement system in order to reduce and minimize the cost of procuring government operating supplies and materials.
14. Review and formulate uniform office policies and procedures to minimize waste and misuse of supplies and properties including effective monitoring mechanisms especially for costs associated with vehicular usage, i.e., oil, gasoline and maintenance. Such operational guidelines shall be designed to discourage and penalize inappropriate use or abuse of government supplies and properties in line with Rules and Regulations of the Public Service System.

15. Review and establish online purchasing capacity for the centralized government procurement system in order to reduce and minimize the cost of procuring government operating supplies and materials.

16. In cooperation with all Executive Branch agencies, review and formulate uniform office policies and procedures to minimize waste and misuse of supplies and properties including effective monitoring mechanisms, especially for costs associated with vehicular usage, i.e., oil, gasoline and maintenance. Such operational guidelines shall be designed to discourage and penalize inappropriate use or abuse of government supplies and properties in line with Rules and Regulations of the Public Service System.

17. Implement a comprehensive system for bulk purchases to maximize the purchasing value of available funds.

18. Establish management policies and procedures for the procurement and use of goods and services to minimize operating costs and to enhance the productivity of available funds.

19. Work with all Executive Branch agencies to establish maintenance schedules for all government depreciable assets to prolong their useful life and to avoid high replacement costs.

20. Review and establish online purchasing capacity for the centralized government procurement system to reduce the cost of government procurement.
XI. MINISTRY OF JUSTICE

A. Situation Analysis –

With economic development and growth come pressures to maintain law and order. As important as our economic well being is our sense of safety and security. It is a fundamental right of each and every Palauan to be free from threats to our life and property. Investors, foreign and domestic, also need to feel confident that laws exist, and are strictly enforced, to protect their investments. Consequently, public safety continues to be a national priority.

The control of the import and use of illicit drugs remains a major problem facing the Republic and its criminal justice system. The Ministry of Justice must therefore continue to coordinate its efforts with other governmental agencies to ensure a broad and comprehensive governmental response and coordination on all drug issues.

In order to maintain its basic structural integrity, the Ministry must also work to strengthen its efforts to maintain its facilities and vehicles. In light of the upgrading of the Ministry’s fleet through a generous grant from the Republic of China, Taiwan, an improved maintenance schedule must be adopted. It is clear that the current jail facility in Koror is no longer sufficient to safely house an expanding prison population. A new facility must therefore be constructed that will take into account the rising complexities of Palau’s criminal detention needs.

It has become clear over the past four years that the Republic’s efforts to protect its marine resources in its 200-mile EEZ must be expanded. This will require greater coordination with its neighboring jurisdictions, especially the Federated States of Micronesia and the Republic of the Marshall Islands, and the addition of another patrol boat. It will also require expansion of its air surveillance efforts.

Stronger relations must also be established with Indonesia and the Philippines in the area of respective enforcement of national boundaries.

The present criminal code is basically the same code that existed during the Trust Territory days that dates back to the 1950’s and 1960’s and as a result, it fails to address many of the obstacles faced in criminal prosecution in the Republic today. A revised code must be prepared and passed by the Olbiil Era Kelulau.

It is time to face the immigration and emigration issues that will largely impact the future landscape of our society. Already, foreign workers represent over one-third of our population. We must not close our eyes to the reality that we could become a minority in our own country. Rather, we must begin to institute strong policies that ensure that Palau continues to exist for Palauans.
B. Recommendations

Bureau of Public Safety

1. Develop and implement motor vehicle and equipment replacement schedules.
2. Strengthen offshore marine surveillance to include the addition of an additional patrol boat to monitor fishing activities within the Republic’s EEZ.
3. Continue to strengthen enforcement of inshore fishing laws and regulations establishing a regime of national/state enforcement cooperation and expanding penalties and fines.
4. Develop a dedicated fund from fishing fines to be used for the enforcement of off-shore fishing laws, regulations and contracts.
5. Continue to emphasize regional fisheries enforcement cooperation (especially with the Federated States of Micronesia and Papua New Guinea) and move towards consistent charging practices.
6. Develop a plan to establishing appropriate fishing enforcement interfaces with state governments to institute cross-enforcement efforts.
7. Continue to expand law enforcement presence in all of the states of Palau, where appropriate.
8. Work with the States to establish single vehicle registration system and fee disbursement.

Bureau of Immigration

9. In conjunction with the Office of the President, implement the recommended strategies of the CoPopChi report by implementing the following policies:
   
   ➢ Establish a visa system that caps the number of foreign workers at no more than 70% of the Palauan labor force and that insures that the proportion of non-Palauan residents does not exceed one-third of total residents.
   ➢ Review and institute a current foreign labor fee that will encourage employers to maximize labor productivity and that will generate revenues to partially fund investments in human resource development and marketing.
   ➢ Establish strategies to achieve an average net migration rate of at least +1% per year.
   ➢ On an annual basis, review the impact of immigration policies on Palauans and the foreign labor force.
   ➢ Review other recommendations of the CoPopChi and make further recommendations regarding implementation.

10. Work with the Office of the President and the Olbiil Era Kelulau to gain passage to proposed modernized criminal code.
11. Develop a building code, in conjunction with the Ministry or Resources and Development and the States that will prevent fires, limit the spread of flames and provide for fire safety and suppression devices.
XII. MINISTRY OF COMMERCE AND TRADE

A. Situation Analysis –

With the end of the Asian-Pacific economic crisis, a primary objective of the government and the private sector is the establishment of a business friendly environment that provides incentives for private sector growth. This economic growth must take into consideration the Millennium Development Goals.

The changing economic environment of Babeldaob has substantially increased the need for the residents to pursue income opportunities. In this regard, the Bureau of Commercial Development needs to reengineer their services, perhaps focusing more on providing business advisory services, including capital requirements.

The proliferation of cellular communication and increased water traffic activities require the development of appropriate rules and regulations addressing the communications requirements of the Republic, especially the establishment and use of new technology and emergency frequencies.

B. Recommendations

Bureau of Commercial Development

1. In conjunction with the Office of the Present and the Palau Visitor’s Authority, establish a policy that will stimulate development of “low volume, high return” sustainable alternatives to mass tourism (CoPopChi Strategy 6.1).
2. Establish a Central Farmers Market in Koror in conjunction with the Bureau of Natural Resources and Development and the CIP Office.
3. Determine the viability of re-establishing a fisheries cooperative to support state fishing cooperatives, including a central off-loading site ?????????????
4. Review small business services in Palau and make recommendations regarding consolidation.
5. Investigate the viability and merit of liberalizing leasehold limitations for foreign investors, including joint ventures with Palauan landowners and the establishment of guidelines for such leasing arrangements.
6. In view of the Communications Act, develop appropriate rules and regulations for the Republic’s system of communications.
7. Review and determine the need, with appropriate recommendations, to strengthen the Consumer Protection Act.
8. Work with Koror State to develop and fund the Meyuns Seaplane Ramp for recreational water sports and activities.
9. In conjunction with the states, establish other designated areas for recreational water sports and activities and establish boating speed limits within these areas.
10. Review and make recommendations regarding the need for a law creating an airport authority.
11. Review and make recommendations regarding the need for a law establishing a ports authority to provide oversight on seaport operations.
12. Establish a strategic plan for the use of state sea ports
13. Determine the viability of establishing a system of standards, weights and measures.
15. Develop a strategic plan to effectively utilize state ports improved through Japanese assistance.

**Bureau of Human Resources Development**

16. Improve data collection and analytical capabilities for labor market statistics to support labor market policies and to establish educational priorities.
17. Develop/implement universal labor standards applied equally to public/private sectors and Palauan/non-Palauan workers (CoPopChi Strategy 3.5).
18. Improve working conditions for all labor in the Republic by establishing
   - A workers compensation law; and
   - A Workers Safety and Health Act.
19. Review current staffing and training of labor inspectors and make recommendations regarding upgrade.
20. Expand private sector retirement benefit opportunities for the Palauan labor market.
21. Develop and implement a comprehensive prioritization policy that promotes higher value-added industries through development of better categorization and prioritization of foreign investment needs.
22. Improve enforcement of labor laws and establish better coordination of labor policies with immigration and foreign investment policies.
23. Determine the viability and desirability of establishing a foreign worker quota system that caps the number of foreign workers as recommended by the Committee on Population and Children.
24. Establish and implement a standardized job classification system.
25. Review labor processing rules and procedures and improve to make more timely, consistent and transparent.
26. Review existing health certification requirements for foreign workers and make appropriate recommendations for improvements.
27. Establish a program to market Palau to overseas Palauans in an effort to gain their return to Palau, including information, referral and loan assistance components (CoPopChi Strategy 3.7).

**Banking Commission**

28. Upgrade banking related legislation and regulations and gain ratification of international conventions, as follows:
   - Gain passage of Financial Institution Act amendments;
· Gain OEK approval of the proposed Financial Institutions Act Regulations;
· Gain passage of the proposed amendments to the Money Laundering Act;
· Gain passage of the proposed Counter-Terrorism Act of 2005;
· Gain passage of the proposed Cash Courier Disclosure Act; and
· Gain ratification of the United Nations Convention against transnational organized crime and its protocols.

29. Determine the viability of a Trust Deed System, whereby a public trustee is established to act as an intermediary between foreign financial institutions and the borrower in order to formalize and ensure just transactions.

30. Establish a lease collateralization system that permits the development of market values for leased properties as a viable bank financing option.

31. Within the context of the proposed Palau Reinvestment Incentive Program, determine the viability of instituting a complementary international banking center in Palau by:
   · Procuring International Banking experts to develop a feasibility study; and
   · If supported, develop a strategic plan to establish a comprehensive international banking system with adequate funding mechanisms to establish Palau as the primary off-shore banking center for Asia.

32. Gain passage of legislation regulating recruiting agencies.
XIII. MINISTRY OF COMMUNITY AND CULTURAL AFFAIRS

A. Situation Analysis –

The mission of the Ministry of Community and Cultural Affairs is “To effectively implement the mandated functions, duties and obligations under the laws, Executive Orders and regulations, in rendering services to enhance the well-being of the community and to preserve and maintain our heritage.”

To achieve this mission, the Ministry was restructured in the Executive Branch reorganization (Executive Order No. 203). Focus throughout the Ministry during the next four years should be on improving services within the scope of this enhanced administrative structure.

Bureau of Community Services

The mission of the Bureau of Community Services is to “To coordinate and develop social and recreational programs to promote and enhance the well being of the community, youth and the aged.”

To carry forth this mission, the Bureau needs to expand services of Parks and recreation to each state of the Republic. In addition, all sports facilities must be improved and maintained in order to accommodate expanding needs and to host the South Pacific Games. The Bureau must also implement, throughout the Republic, new users fees in order to finance the maintenance of all sports facilities. Finally, the Bureau must work with the state governments to identify and designate public lands as national parks.

In regard to Youth, the Bureau must work with the Olbiil Era Kelulau to implement Palau’s National Youth Policy.

The Bureau must also continue to focus on and expand services to the aged.

B. Recommendations –

1. Implement, in coordination with the Youth Policy Committee, the Ministry of Education, the Ministry of Justice and the Palau Community College, as appropriate, the “Palau National Youth Policy” as established by Executive Order No. 223, as follows:

   ➢ Establish programs to promote the spirit of nationalism and patriotism, emphasizing culture and traditions, the environment and the Constitution and laws of the Republic of Palau
   ➢ Establish programs to promote the health of Palau’s youth through:
     ▪ Expanded physical fitness programs;
Strategies to strengthen mental health; Expanded educational awareness of HIV/AIDS; and Strategies to strengthen spiritual health.

- Strengthen educational programs to better prepare Palau’s youth for productive futures through:
  - Strategies to maximize attendance in school;
  - Strategies to better prepare high school students to enter college and the workforce;
  - Strengthening character building programs;
  - Strategies and schemes for entrepreneurship;
  - Strategies that address gender issues in the workplace;
  - Programs for career counseling;
  - Strengthening school programs that instill work ethic and industriousness; and
  - Expanding programs that strengthen the role of the family;

- Strengthen programs to ensure respect for the law through:
  - Expanded programs to address issues of youth in conflict with the law;
  - Strengthen programs for crime prevention and rehabilitation of incarcerated youth;
  - Separate detention for juveniles;
  - Strengthen rehabilitation programs for youth; and
  - Establish programs for non-students between 15 and 34 through community skills programs;

- Strengthen programs for youth in sports and recreation.
- Establish programs that involve youth in the development of the Nation.
- Strengthen programs to support knowledge of culture and fine arts.

2. Review, and where appropriate, implement the strategies recommended in the CoPopChi in order to equip Palauans with skills and attitudes required for nation-building (CoPopChi Goal 3).

3. Continue to implement and expand incentive programs for our youth emphasizing achievements and awards in conjunction with other relevant agencies.

4. In conjunction with the Palau National Olympic Committee, continue to expand state and national recreational and sports facilities and programs in each state.

5. Improve and maintain sports facilities in order to accommodate expanding needs and to host the South Pacific Games.

6. Establish strategic plan to expand the services of Parks and Recreation to each state of the Republic.

5. Develop strategic plan to work with the state governments to identify and designate public lands as national parks.

6. Relocate the Office of Fish and wildlife to appropriate locate on in Icebox, Malakal.

7. Renovate the senior citizens center.

8. Develop working plan to delegated more responsibilities for Senior citizens to the states.

9. Work with the Ministry of Education to develop a plan and working group to expand sports programs in the school system.
10. Develop a 5-year HPO Plan

11. Establish and implement comprehensive program of event organization and coordination for major government holidays and recurring major annual events.
XIV. MINISTRY OF STATE

A. Situation Analysis –

The Ministry of State needs to improve its capacity to provide timely information and to coordinate technical assistance opportunities and information with appropriate Ministries and agencies.

Given the Republic’s capital and recurrent expenditure requirements, there is a critical need for the Ministry in cooperation with the Ministry of Finance, to improve aid coordination and management.

There is also a need to review the functions of the Palau Embassy in Washington D.C. and the United Nations Embassy in New York to ensure that no duplication occurs and that no assignments are missed by either embassy.

To support security and efficient operation of Palau Embassies and Consulates throughout the world, and considering the expansion of relations to various countries of the world, it is necessary to establish a Foreign Mission Act. Within this context, it is necessary to establish a cadre of career foreign service officers to staff overseas posts on rotational basis under Palau’s Civil Service System.

It is also necessary that key countries are earmarked for the establishment of diplomatic relations, in a timely fashion, in order to permit the implementation of national policy.

B. Recommendations

1. Establish a program to develop and train a cadre of foreign-service people, a foreign service corps.
2. Determine the viability of establishing a Foreign Missions Act with appropriate recommendations for improving protocol services.
3. Strengthen and improve cooperative relationship between the national government and state governments.
5. Earmark countries with which diplomatic relations will be developed over the next four years and establish an appropriate time schedule.