

Government of the Republic of
Palau



United Nations
Development Programme Fiji
Multi-Country Office

Country Programme Action Plan (CPAP)

2008-2012

between

The Government of Palau

and

**United Nations Development Programme Fiji
Multi-Country Office**

The Framework

The Government of Palau and the United Nations Development Programme are in mutual agreement regarding the contents of this document and their responsibilities in the implementation of the Country Programme;

Furthering their mutual agreement and cooperation to address national priorities and needs within the framework of the Millennium Development Goals (MDGs) and the international Conferences, Summits and Conventions of the UN system to which the Government of Palau and the United Nations Development Programme are committed;

Building upon the experience gained and progress made during the implementation of the previous Country Cooperation Agreement (2003-2007);

Entering into a new period of cooperation (2008-2012);

Declare that these responsibilities will be fulfilled in a spirit of friendly cooperation and have agreed as follows:

Part I Basis of Relationship

- 1.1 This document together with the associated respective Annual Work Plan (AWP) signed by the Government and UNDP which is incorporated by reference constitute together the instrument envisaged in the Supplemental Provisions to the Project Document, attached hereto. Consistent with the above Supplemental Provisions, the responsibility for the safety and security of the implementing partner and its personnel and property, and of UNDP's property in the implementing partner's custody, rests with the implementing partner.
- 1.2 The implementing partner shall:
 - a) Put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
 - b) Assume all risks and liabilities related to the implementing partner's security, and the full implementation of the security plan.

UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of this agreement.

- 1.3 The implementing partner agrees to undertake all reasonable efforts to ensure that none of the UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via <http://www.un.org/Docs/sc/committees/1267/1267ListEng.htm>. This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document.

Part II Situation Analyses

- 2.1 Pacific island countries (PICs) face common challenges resulting from their small size, geographic isolation and natural disaster vulnerability. Broadly, Melanesia (Fiji, Solomon Islands and Vanuatu) is characterized by larger, resource-rich land masses and populations; Polynesia (Tuvalu and Tonga) by smaller but relatively compact land masses, and

Micronesia (Kiribati, Marshall Islands, Federated States of Micronesia, Palau and Nauru) by very small and widely dispersed resource-poor atolls. As Small Island Developing States (SIDS), PICs have committed to the Mauritius Strategy, a blueprint to address national and regional sustainable development in SIDS that takes into account the economic, social and environmental aspects that are the pillars of the holistic and integrated approach to sustainable development¹.

- 2.2 Palau's National Master Development Plan 2020 (NMDP) is also increasingly being aligned with the MDGs. However, ensuring inclusive growth and globalization is particularly challenging in Palau. Over the past decade Palau has achieved improved macroeconomic outcomes but this has not translated into significant improvements in per capita income and human development. The significant net aid inflows to Palau have yet to be integrated into national planning and budgeting processes.
- 2.3 These problems are compounded by unfavourable policies and regulatory environment for trade and private sector development. Due to the lack of employment opportunities, increasing hardship and social instability, inequality has disproportionate impact on vulnerable groups, such as rural poor, women and girls, who remain disadvantaged to varying degrees in education, access to labour markets and political representation, as well as young people aged 15-24, who comprise almost half the population. In addition, available evidence on HIV infection rates, especially among people aged 15-49, point to the possibility of a rapidly escalating HIV epidemic and multi-sectoral approaches to prevention, care and treatment efforts are seen as imperative.
- 2.4 Governance challenges also need to be addressed on a priority basis. Concerns have been increasing over alleged abuse of power, corruption and cronyism, which have contributed to instability and conflict and a failure to uphold human rights. Accountability institutions are often under-resourced and/or poorly functioning. Although decentralisation and participatory decision making are being discussed, mechanisms to encourage full and real participation by women and minority groups are largely lacking. Leveraging information and communication technology (ICT) for local government and outer island planning and management requires action. As in various PICs, the value of broad-based civic education programmes is increasingly recognized. Civil society organisations (CSOs) are increasingly seen as key partners by governments and donors in governance and human rights education. While Palau has ratified key human rights conventions, there are shortcomings in reporting. Palau has not yet ratified the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW).
- 2.5 Palau relies heavily on primary commodity production and exports, marine-based resources, and tourism, highlighting community-based management of natural resources and maintenance of the environment as a key to growth and poverty reduction. Competing demands on the environment and differentiated impacts of climate change waste management, and poor natural resource management pose significant challenges to Palau due to its limited resource base. Contributing factors include: limited integration and non-implementation of environment in national or sectoral plans and strategies, non-existent or outdated environmental legislation, limited documentation of traditional practices, and inadequate capacities of communities to practice responsible and equitable harvesting of

¹ http://www.un.org/smallislands2005/pdf/sids_strategy.pdf

natural resources. Concerns about improving equitable access to natural resources, including renewable energy, to enable opportunities for sustainable livelihood options require special consideration. Increasingly, environmental policy is mainstreamed into national and regional agreements and frameworks, such as the Micronesia Challenge, a regional program aimed to effectively conserve at least 30 percent of near-shore marine and 20 percent of forest resources across Micronesia by 2020².

- 2.6 Stronger regional cooperation presents opportunities for countries such as Palau with constrained capacity to implement effective national policies and provide basic services to meet the needs of their people. The Pacific Plan has established a framework to support national development policies, including commitments to the MDGs. The relatively small number of development partners in the Pacific facilitates the delivery and management of aid in line with the Paris Declaration and the Pacific Principles on Aid Effectiveness.

KEY COUNTRY INDICATORS

	Palau
Land Area (sq km)	459
EEZ (sq km)	600,000
Population	19,949
<i>Growth rate (%)</i>	1.31
GDP growth (05, %)	5.4
HDI	N/A
<i>2006 rank, out of 177</i>	
Country status	NCC
MDG Report	Draft
Human Rights Treaties/Conventions ratified	
• CEDAW	x
• CRC	√
• CERD	x

Sources: UNDP Human Development Report 2006; 2006 Country Background Notes, UNDP Fiji; Asian Development Outlook 2006 Update, Asian Development Bank; Pacific Islands Forum Secretariat

Part III Past Cooperation and Lessons Learned

- 3.1 Under the previous programme cycle (2003-2007), UNDP support was prioritised under two related areas:
- *Poverty reduction and sustainable livelihoods for MDGs achievement*: policy development for inclusive growth and globalization and strengthen capacity of the National planning Framework to monitor the achievement of MDGs.
 - *Environmental protection and resource management* through programmes in environmental governance, climate change, biodiversity, energy and waste management. A key focus has been on assisting Palau to meet their obligations under various multilateral and regional environment agreements (MEAs).
- 3.2 Tripartite Project Reviews (TPRs) and project evaluations confirm the emphasis of the previous cycle, with some adjustments needed to finetune the future programme. These

² <http://palau.biodiv-chm.org/upload/MC%20Declaration%20of%20Commitment.pdf>

include the need to:

- Adopt a more *strategic and targeted focus* on key outcomes to *maximise impact*. Programme effectiveness has been challenged by the unique role of the MCO to spread resources across 10 countries. Clear programme objectives, realistic targets, measurable indicators and appropriate sequencing of capacity, culture and gender disparities need to be prioritised.
- Ensure *national commitment* to and ownership of programmes, use of *national development frameworks* and systems in consultative processes, more frequent country visits, and continued training at national, regional and international levels. An expanded joint United Nations presence in countries will improve UNDP's engagement in national development dialogue and development support services.
- Build *stronger partnerships* at the highest levels. While improved coordination with development partners was a noted achievement, programmatic linkages with other United Nations agencies, funds and programmes working in the region and with the Council of Regional Organisations of the Pacific (CROP) have been relatively weak. Enhanced donor partnerships will help to continue the recent trend of *improved resource mobilisation*.

Part IV Proposed Programme

- 4.1 The overall aim of the programme is to respond to current and emerging development challenges of Palau in close partnership with the Government and through continued emphasis on capacity development, strategic focus and use of resources in high-impact areas, robust engagement and coordination with other key stakeholders and development partners. The programme seeks to facilitate design and implementation of the National Master Development Plan 2020 (NMDP) and to strengthen linkages with the Pacific Plan.
- 4.2 The programme has three strategic outcome areas: (1) Poverty Reduction and the Millennium Development Goals (MDGs); (2) Good Governance and Human Rights; and (3) Environment and Sustainable Management. Furthermore, under each outcome area the programme is structured around 1-2 specific priority outputs, as defined during national consultations on UNDAF/MCPD on the basis of common assessment of development challenges.

Poverty Reduction and the Millennium Development Goals

- 4.3 UNDP's cooperation with the government of Palau in this area will be geared towards addressing the Pacific Sub-Regional UNDAF (2008-2012) *Outcome 1: Equitable Economic Growth and Poverty Reduction*. UNDP support in this area will address the following:
- (i) *Localizing MDGs (strengthening MDG-based planning, statistical and aid management systems)* to facilitate evidence based policy making and planning through the availability of reliable development data and improvement of existing related mechanisms and their coordination. UNDP will support a strengthening of the national development monitoring effort to collect MDG data as the basis for developing a national poverty line and ensure a national MDG report by the end of 2008. In addition UNDP will seek to leverage its global and regional expertise, in cooperation with UN and CROP agency partners, to improve national capacity in data analysis, policy making, planning and budgeting to help mainstream the MDGs.

Good Governance and Human Rights

4.4 As signatory to the Pacific Plan, Palau is committed to promoting good governance and supporting one of the key objectives to “*improve transparency, accountability, equity and efficiency in the management and use of resources in the Pacific*”³ as reflected in the NMDP 2020. UNDP’s support in this area will focus on addressing UNDAF *Outcome 2: Good Governance and Human Rights*. Specifically:

- (i) *Strengthening Parliament and Improving Participatory Democracy*. To foster democratic governance in Palau, UNDP focuses its programming intervention through a Preparatory Assistance (PA) Project aimed at 3 main components: i) a diagnostic study known as a Legislative Needs Assessment to assess and document the capacity building needs of Parliamentarians and Parliamentary Secretariat; (ii) an Orientation workshop for the senators of Palau; and (iii) the design of a parliamentary support package that would provide targeted support to the Legislators and the Legislative Secretariat. Either as part or a stand alone project, UNDP will explore with key stakeholders a civic education programme, which will seek to develop community capacity to enable Palau citizens to participate and manage their own affairs at the individual and institutional level. Respecting and integrating the cultural values of the people of Palau, related activities will include principles of transparency, participation, responsiveness, accountability, empowerment and equity.

Environment and Sustainable Management

4.5 UNDP will support country-led change processes of the Government of Palau to ensure that home-grown development strategies incorporate environment and energy priorities and that improvement of capacity at all levels is backed by effective dialogue that combine available international assistance and innovative partnerships that support high development benefits. UNDP’s support in this area will focus on addressing UNDAF *Outcome 4: Sustainable Environmental Management*. UNDP’s assistance in this outcome area will focus on one main output:

- (i) *Capacity development to mainstream environmental sustainability concerns at national level*: Incorporation of energy and environment priorities and strategies into national planning and regional agreements and frameworks will build on recent assessments, action plans and strategies produced through national consultative processes through Global Environment Facility (GEF) funded projects that provide a collective voice on capacity constraints, risks and priorities through the National Biodiversity Strategic Action Plan (NBSAP), First National Communications to the UN Climate Change Convention (FNC), and the National Capacity Self Assessment project (NCSA). Subject to further availability of GEF and other resources, UNDP will continue to provide assistance for follow up projects based on such reports to enable Palau communities adapt to impacts of environmental changes. The implementation of the planned Sustainable Economic Development through Renewable Energy Applications (SEDREA) and the Sustainable Land Management Project (SLM) will provide increased access to renewable energy and natural resources that support sustainable livelihood options. Support for integrated, community-based approaches and collaboration with relevant projects will address the fragmentation of an already limited resource base and ensure effective community engagement in sustainable environment development processes.

³ Pacific Islands Forum Secretariat (2006), *Pacific Plan for Strengthening Regional Cooperation and Integration* at page 3

Part V Partnership Strategy

- 5.1 The programme's scope and complexity necessitate elaborate partnership strategies not only between the Government and UNDP, but also with number of other partners, in order to deliver development results in Palau and to uphold the principles of Paris Declaration on Aid Effectiveness.
- 5.2 Within the government, the list of main partners will include: the Department of Planning, Department of Statistics, Ministry of Commerce and Trade, Office of the President, Office of the Speaker, Congress Secretariat, Ministry of Finance, and the Office of the Environmental Response and Coordination. Strong national ownership of the programme will also depend on partnership and participation of local administrations and service departments at national and local levels, civil society, traditional and church leaders, private sector, as well as other community members.
- 5.3 The programme will continue to leverage partnerships within the UN system under the auspices of the Pacific Sub-Regional UNDAF (2008-2012). This will be further strengthened with the Joint presence initiative in Palau between UNDP, UNICEF and UNFPA (Lead Agency: UNDP). In addition to the in-house expertise in the UNDP Fiji multi-country office and the UNDP Pacific Centre, implementation will benefit from access to UNDP's global and regional knowledge networks, as well as to United Nations Volunteers (UNV).
- 5.4 Ensuring aid effectiveness and resource mobilization, programme objectives will require robust engagement with other development partners, including Asian Development Bank (ADB), Australian Agency for International Development (AUSAID), European Union (EU), Global Environment Facility (GEF), Japan International Cooperation Agency (JICA), New Zealand's International Aid and Development Agency (NZAID), United States Agency for International Development (USAID), and the Council of Regional Organizations in the Pacific (CROP) agencies.

Part VI Programme Management

- 6.1 The programme will be nationally executed under the overall coordination of designated Government of Palau's Coordinating Agency; the Bureau of Technical assistance & External Trade. Other government ministries, NGOs, IGOs, and UN agencies including UNDP will implement the programme activities based on capacity assessments carried out at the design phase of the programme. The Government of Palau's Coordinating Agency will nominate the Government Co-operating Agency directly responsible for the Government's participation in each UNDP assisted AWP. The AWPs describe the specific results to be achieved and will form the basic agreement between UNDP and each implementing partner on the use of resources. The reference to "Implementing Partner(s)" shall mean "Executing Agency(ies)" as used in the Supplemental Provisions to the Project Document".
- 6.2 In programme design and implementation, UNDP works closely with key partners. The country programme builds on the United Nations reform principles, especially simplification and harmonization, by operating in line with the harmonized common country programming instruments such as the UNDAF results matrix, monitoring and evaluation, and programme resources frameworks in the CPAP and the AWPs. To the

extent possible UNDP and partners will use the minimum documents necessary, namely the signed CPAP and signed AWP's to implement programmatic initiatives. However, as necessary and appropriate, project documents would be prepared using, inter alia, the relevant text from the CPAP, and AWP's. UNDP will sign the project documents with partners in accordance with corporate practices and local requirements. In line with the UNDG Joint Programming Guidance Note, the scope of inter-agency cooperation is strengthened to cultivate new programme and geographical convergence

- 6.3 All cash transfers to an Implementing Partner are based on the Annual Work Plans agreed between the Implementing Partner and UNDP.
- 6.4 Cash transfers for activities detailed in AWP's can be made by UNDP using the following modalities:
 1. Cash transferred directly to the Implementing Partner:
 - a. Prior to the start of activities (direct cash transfer), or
 - b. After activities have been completed (reimbursement)
 2. Direct payment to vendors or third parties for obligations incurred by the Implementing Partners on the basis of requests signed by the designated official of the Implementing Partner;
 3. Direct payments to vendors or third parties for obligations incurred by UN agencies in support of activities agreed with Implementing Partners.
- 6.5 Direct cash transfers shall be requested and released for programme implementation periods not exceeding three months. Reimbursements of previously authorized expenditures shall be requested and released quarterly or after the completion of activities. The UNDP shall not be obligated to reimburse expenditure made by the Implementing Partner over and above the authorized amounts.
- 6.6 Following the completion of any activity, any balance of funds shall be reprogrammed by mutual agreement between the Implementing Partner and UNDP, or refunded.
- 6.7 Cash transfer modalities, the size of disbursements, and the scope and frequency of assurance activities may depend on the findings of a review of the public financial management capacity in the case of a Government Implementing Partner, and of an assessment of the financial management capacity of the non-UN Implementing Partner. A qualified consultant, such as a public accounting firm, selected by UNDP may conduct such an assessment, in which the Implementing Partner shall participate.
- 6.8 Cash transfer modalities, the size of disbursements, and the scope and frequency of assurance activities may be revised in the course of programme implementation based on the findings of programme monitoring, expenditure monitoring and reporting, and audits.
- 6.9 Resource mobilization efforts will be intensified to support the RRF and ensure sustainability of the programme. Mobilization of other resources in the form of cost sharing, trust funds, or government cash counterpart contributions will be undertaken to secure funding for the programme.
- 6.10 Following the completion of an activity, any balance of funds shall be reprogrammed by mutual agreement between the Cooperating Agency, the Implementing Partner and UNDP, or refunded. Resource mobilization efforts, as well as evaluation and communication strategies will be intensified to support the RRF and ensure sustainability of the

programme. UNDP and national counterparts will ensure that programming resources are available for evaluations as well as communication of programme activities, requirements and results to the broader stakeholder community. Mobilization of other resources in the form of cost sharing, trust funds, or government cash counterpart contributions will be undertaken.

- 6.11 Project management will be strengthened further through a number of ways. A key initiative in this regard is the establishment of the UN Joint Presence Office (Lead Agency: UNDP). The office, headed by a Country Development Manager will support UN EXCOM Agency programmes in country. In addition, UNDP will provide training and support to the Government of Palau and all implementing partners, addressing areas such as Finance, Procurement and Human Resources, Project Management and Audit. The UNDP Multi-Country Office in Fiji will undertake at least two integrated programme missions to Palau each year and additional missions will be fielded as needed. Certain activities in the CPAP (on HIV/AIDS and MDGs) will become part of joint UN programming, thus resulting in streamlined programme implementation modalities with other UN agencies.

Part VII Monitoring and Evaluation

- 7.1 Monitoring and evaluation of country programmes will be undertaken in line with the UNDAF results matrix and monitoring and evaluation plan. The Government of Palau and UNDP will be responsible for setting up the necessary M&E mechanisms, tools and conducting reviews, in order to ensure continuous monitoring and evaluation of the CPAP, with the view to ensuring efficient utilization of programme resources as well as accountability, transparency and integrity. The Cooperating Agencies and the implementing partners will provide periodic reports on the progress, achievements and results of their projects, outlining the challenges faced in project implementation as well as resource utilization as articulated in the AWP. Reporting will be done on a quarterly basis in accordance with UNDP procedures and harmonized with UN agencies to the extent possible.
- 7.2 Implementing partners agree to cooperate with UNDP for monitoring all activities supported by cash transfers and will facilitate access to relevant financial records and personnel responsible for the administration of cash provided by the UNDP. To that effect, Cooperating Agencies and Implementing Partners agree to the following:
1. Periodic on-site reviews and spot checks of their financial records by UNDP or its representatives,
 2. Programmatic monitoring of activities following UNDP's standards and guidance for site visits and field monitoring,
 3. Special or scheduled audits: UNDP, and where appropriate in collaboration with other UN agencies, will establish an annual audit plan, giving priority to audits of Implementing Partners with large amounts of cash assistance provided by UNDP, and those whose financial management capacity needs strengthening.
- 7.3 To facilitate assurance activities, Implementing partners and UNDP may agree to use a programme monitoring and financial control tool allowing data sharing and analysis.
- 7.4 The Government of Palau will take responsibility for the audit of Nationally Executed projects in accordance with UNDP requirements. Subject to assessment of the Public Financial Management (PFM) system confirming that the capacity of the Palau Auditor General's Office is high and willing and able to conduct scheduled and special audits, the Palau Auditor General may undertake the audits of government Implementing Partners. If

the Palau Auditor General's Office capacity is insufficient or chooses not to undertake the audits of specific implementing partners to the frequency or scope required by UNDP, UNDP will commission the audits to be undertaken by private sector audit services.

- 7.5 Assessments and audits of non-government Implementing Partners will be conducted in accordance with the policies and procedures of UNDP.
- 7.6 The Government of Palau and UNDP shall jointly conduct annual planning and review meetings for all programme components. A more comprehensive mid-term programme review, including outcome evaluations, will be held jointly by the Government and UNDP in 2010, and an end-of-programme cycle evaluation will be done in 2012. The Government and UNDP will create an evaluation plan, to be updated in the annual planning reviewing process.

Part VIII Commitments of UNDP

- 8.1 Working with the Government, UNDP will seek financing partnerships to mobilize an estimated \$2,415,000 in non-core resources, subject to interest by funding partners. These resource allocations do not include emergency funds that may be mobilized in response to any humanitarian or crisis situation. These resource allocations will be utilized for policy advice, technical assistance, capacity building, systems development and knowledge generation and sharing.
- 8.2 UNDP will ensure coherence between the CPAP and AWP, UNDAF results matrix and MDGs, including monitoring and evaluation, and timely progress reporting to donors. Through annual reviews and quarterly progress reporting, joint responsibilities between UNDP, the Government and implementing partners will be emphasized.
- 8.3 In case of direct payment to vendors or third parties for obligations incurred by the Implementing Partners on the basis of requests signed by the designated official of the Implementing Partner; or to vendors or third parties for obligations incurred by UNDP in support of activities agreed with Implementing Partners, UNDP shall proceed with the payment within 5 working days.
- 8.4 UNDP shall not have any direct liability under the contractual arrangements concluded between the Implementing Partner and a third party vendor.
- 8.5 Where more than one UN agency provides cash to the same Implementing Partner, programme monitoring, financial monitoring and auditing will be undertaken jointly or coordinated with those UN agencies.

Part IX Commitments of the Government

- 9.1 The Government will honor its commitments in accordance with the provisions of the Trust Territory of the Pacific Islands (TTPI) of 10 June, 1994. The Government shall apply the provisions of the Convention on the Privileges and Immunities of the United Nations agencies to UNDP's property, funds, and assets and to its officials and consultants. In addition the Government will accord to UNDP and its officials and to other persons performing services on behalf of UNDP, the privileges, immunities and facilities as set out in the TTPI.
- 9.2 Implementing partners agree to cooperate with UNDP for monitoring all activities supported by cash transfers and will facilitate access to relevant financial records and

personnel responsible for the administration of cash provided by the UNDP. To that effect, Cooperating Agencies and Implementing Partners agree to the following:

- 9.3 The Government will be fully committed to support UNDP in playing its mandated roles in Palau, including those in implementing its technical assistance activities and assisting the realization of the values of the Millennium Declaration and the Millennium Development Goals in the country.
- 9.4 The Government will be committed to ensure that counterpart funds, both in-kind and in-cash contributions, will be made available, in a timely and adequate manner, to enable the successful implementation of UNDP-assisted projects.
- 9.5 The Government will work closely with UNDP to mobilize non-core resources, including GEF funding, third-party cost-sharing and private sector contributions, to support CPAP implementation.
- 9.6 Mechanisms for participatory planning, monitoring and evaluation on the progress of the country programme involving civil society and other development partners will be implemented. The Government is also committed to organize periodic programme review, planning and joint strategy meetings and where appropriate, coordination of sectoral and thematic development partners groups to facilitate the participation of donors, civil society, private sector and UN agencies. In addition, the Government will facilitate periodic monitoring visits by UNDP staff and/or designated officials for the purpose of monitoring, meeting beneficiaries, assessing the progress and evaluating the impact of the use of programme resources. The Government will make available to UNDP in a timely manner any information about policy and legislative changes occurring during the implementation of the CPAP that might have an impact in co-operation.
- 9.7 Upon implementation of the Harmonized Cash Transfer (HACT) Framework, a standard Fund Authorization and Certificate of Expenditures (FACE) report, reflecting the activity lines of the Annual Work Plan (AWP), will be used by Implementing Partners to request the release of funds, or to secure agreement that UNDP will reimburse or directly pay for planned expenditure. The Implementing Partners will use the FACE to report on the utilization of cash received. The Implementing Partner shall identify the designated official(s) authorized to provide the account details, request and certify the use of cash. The FACE will be certified by the designated official(s) of the Implementing Partner.
- 9.8 Cash transferred to Implementing Partners should be spent for the purpose of activities as agreed in the AWP's only.
- 9.9 Cash received by the Government and national NGO Implementing Partners shall be used in accordance with established national regulations, policies and procedures consistent with international standards, in particular ensuring that cash is expended for activities as agreed in the AWP's, and ensuring that reports on the full utilization of all received cash are submitted to UNDP within six months after receipt of the funds. Where any of the national regulations, policies and procedures is not consistent with international standards, the UN agency regulations, policies and procedures will apply.
- 9.10 In the case of international NGO and IGO Implementing Partners cash received shall be used in accordance with international standards in particular ensuring that cash is expended

for activities as agreed in the AWP, and ensuring that reports on the full utilization of all received cash are submitted to UNDP within six months after receipt of the funds.

- 9.11 To facilitate scheduled and special audits, each Implementing Partner receiving cash from UNDP will provide UNDP or its representative with timely access to:
- All financial records which establish the transactional record of the cash transfers provided by UNDP;
 - All relevant documentation and personnel associated with the functioning of the Implementing Partner's internal control structure through which the cash transfers have passed.
- 9.12 The findings of each audit will be reported to the Implementing Partner and UNDP. Each Implementing Partner will furthermore:
- Receive and review the audit report issued by the auditors;
 - Provide a timely statement of the acceptance or rejection of any audit recommendation to the UNDP that provided cash and to the Supreme Audit Institution;
 - Undertake timely actions to address the accepted audit recommendations;
 - Report on the actions taken to implement accepted recommendations to the UN agencies and to the SAI, on a quarterly basis.

Part X Other Provisions

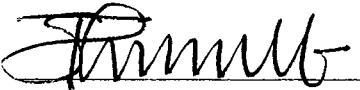
- 10.1 This CPAP enters into force on the date signed by both Parties and in the case the CPAP is signed on different dates, then it shall enter into force on the date of the later signature. The CPAP shall continue in force until 31 December 2012.
- 10.2 This CPAP supersedes any previously signed CPAP between the Government of Palau and UNDP and may be modified by mutual consent of both parties on the recommendations of the joint strategy meeting.

IN WITNESS THEREOF the undersigned, being duly authorized, have signed this Country Programme Action Plan on this day [29th May 2008] in [Koror, Republic of Palau.]

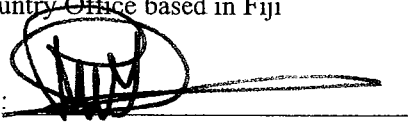
For the Government of the Republic of Palau

For the United Nations Development Programme
Multi-Country Office based in Fiji

Signature:



Signature:



Name:

TEMMY L. SHMULL

Name:

Richard Datus

Title:

MIN. OF STATE

Title:


Resident Representative

income generation and employment opportunities for vulnerable groups, including women and youth				40,000	40,000	40,000	40,000	200,000
Expected UNDAF outcome #2: Good Governance and Human Rights								
Expected AICPD outcome #2: Good Governance and Human Rights								
UNDP Programme component	Expected Outcomes	Anticipated Indicators (baseline and target)	Implementing partners	Indicative Resources by programme component (per year) (US\$)				
Parliament Strengthening & Participatory Democracy 2.1 Palau demonstrates and upholds the Forum Principles of Good Leadership and Accountability, and Palau is aware and protects human rights and makes available mechanisms to claim them <u>Indicators</u> 1. Aggregate Indicator on Voice & Accountability 2. Aggregate Indicator on Political stability and Absence of Violence 3. Aggregate Indicator on Government Effectiveness 4. Aggregate Indicator on Regulatory Quality 5. Aggregate Indicator on Rule of Law 6. Aggregate Control of Corruption <u>Baseline in 2006:</u> 1. <i>Indicator 1:</i> 63 in percentile rank & Governance Score of +0.49 – Voice & Accountability 2. <i>Indicator 2:</i> 96.2 in percentile rank & Governance score of +1.39 – Political Stability & Absence of Violence 3. <i>Indicator 3:</i> 35.5 in percentile rank & Governance score of 0.49 – Government Effectiveness 4. <i>Indicator 4:</i> 17.1 in percentile rank & Governance score of -	2.1.1 Improved capacity of national parliaments and government institutions and systems to enable the efficient and effective performance of oversight, accountability, legislative, representative functions and roles including improved capacity for equitable representation and participatory democracy through civic and human rights education	[2.1.1.1] LNA updated Parliament, disaggregated by sex, participating in the Induction Programme [2.1.1.3] # of oversight committee meetings held per year [2.1.1.4] # of Sector Committee Reports presented in Parliament for Debates [2.1.1.5] # of Select Committee Reports tabled in Parliament for Debates <i>Baseline:</i> Legislative review to identify capacity gaps. <i>Target:</i> Palau men and women effectively contributing to accountability and oversight through improved parliamentary functions Source:- www. Tskl.net.ki/parliament ADB World Bank <i>Indicator:</i> # of women with seats in national parliaments and oversight committees; # of political parties fielding female candidates for national and municipal election; # of female candidates in the national and municipal elections per year <i>Baseline:</i> Representation of	Office of the President, Office of the Speaker, Parliament Secretariat, Ministry of Finance with UN organizations, AusAID, USAID, CROP organizations, EU, CSOs, community members	0.00	0.00	0.00	0.00	0.00
				Regular Resources				
				Other Resources				

	75,000	75,000	75,000	75,000	75,000	75,000	350,000
<p>1.01 - Regulatory Quality Indicator 5: 77.6 percentile score & Governance score of +0.84 on Rule of Law Indicator 6: 59.2 in percentile score & Governance Score of +0.08 - Control of Corruption Target: Palau Men & Women effectively contributing to accountability and oversight through improved parliamentary functions. Source: World Bank</p>							
<p>women in parliament across the Pacific less than 5%. Target: Palau women effectively contributing to accountability and oversight roles and functions in national parliaments. Source: UNDP HRD GEM Indicator Palau MDG Report Annual Report of PALAU Elections Office www.IPU.org www.CPA.org</p>							
<p>[2.1.2.1] # of Public Submissions to Sector Committees [2.1.2.2] # of CSOs engaged in civic education in national programmes Baseline: Limited national capacities for civic education; Various CSOs engaged in ad-hoc civic education activities. Target: Palau communities and people understanding and exercising their democratic and human rights</p>							
<p>Expected UNDAF outcome #4: Sustainable Environmental Management Expected MCPD outcome #4: Environment and Sustainable Management UNDP Programme Components</p>							
<p>Capacity development to mainstream environmental sustainability</p>							
<p>4.1 Environmental sustainability and sustainable energy are mainstreamed into regional and national policies, planning frameworks; and Palau communities effectively manage and sustainably use their environment, as well as natural and cultural resources Indicator: # of national development strategies, policies and plans incorporating environmental sustainability issues; % increase in national budget for environmental sustainability issues. Baseline: Limited integration of environmental concerns in national or sectoral plans and strategies; national environmental agencies under-resourced and over-extended. Target: Palau's national</p>	<p>4.1.1 Policy, legislative and management frameworks developed and strengthened capacity at all levels improves implementation of environment programmes, conservation, sustainable use and equitable sharing of benefits from natural resources, including biodiversity, fisheries (marine and freshwater), sustainable renewable energy</p>	<p>[4.1.1.1] # of legislation and sectoral plans incorporating environmental governance and provision of implementation budgets Baseline: Limited integration of environmental concerns in national or sectoral plans and strategies; national environmental agencies under-resourced and over-extended. Target: Palau's national development strategies, policies, plans integrating environmental sustainability issues.</p>	<p>Office of the Environmental Response and Coordination with UN organizations, CROP organizations, JAPAN & JICA, NZAID, CSOs and community members</p>	<p>Regular Resources</p>	<p>0.00</p>	<p>0.00</p>	<p>0.00</p>
							<p>Other Resources</p>

Palau Country Programme Action Plan 2008-2012


	development strategies, policies, plans integrating environmental sustainability issues.		initiatives developed to support MEAs (environmental agreements)		323,000	323,000	323,000	323,000	323,000	323,000	1,615,000
	<i>Indicator:</i> Strategic environmental action plans implemented and monitored. <i>Baseline:</i> Strategic environmental strategies and plans not implemented in Palau; national environmental agencies under-resourced and over-extended. <i>Target:</i> Capacity of Environment department to support and monitor compliance to environmental legislation; fulfillment of reporting obligations of MEA-related initiatives.		<i>Baseline:</i> Strategic environmental strategies and plans not implemented in Palau; national environmental agencies under-resourced and over-extended. <i>Target:</i> Capacity of Environment department to support and monitor compliance to environmental legislation; fulfillment of reporting obligations of MEA-related initiatives.		323,000	323,000	323,000	323,000	323,000	323,000	1,615,000
TOTAL											
					Regular Resources						
					0.00	0.00	0.00	0.00	0.00	0.00	0.00
					Other Resources						
					488,000	488,000	488,000	488,000	488,000	463,000	2,415,000

	Annual WorkPlan Budget Worksheet United Nations Development Programme Palau	
	Year:	2008
Project #:	(Award ID)	
Project Title:	Poverty Reduction and the Millennium Development Goals	

Project ID	Project Description	Activity	Start Date	End Date	Duration	Priority	Impact	Resources	Cost
00041528	Strengthened capacity among policy makers and CSOs to analyse trends and implications of key poverty, environment and gender issues and incorporate them in MDG based national policies, plans, budgets and reports	<ul style="list-style-type: none"> Advertisement of CDM & recruit Finalise Agreement with Govt. Finalise office arrangements <p>MDG Report</p> <ul style="list-style-type: none"> Analysis of MDG & Poverty related data & drafting of Poverty & MDG Reports Finalisation & launch of National Poverty & MDG Reports Conduct training for planners on poverty analysis, MDG planning & budgeting UNDP Monitoring & Evaluation mission 				X		Government, UNDP MCO & UNDP Pacific Centre	\$146,481 ⁹
						X		Other Resources (UNDP Pacific Centre)	\$45,000 ¹⁰
								Bureau of Budget and Planning, MDG Taskforce, UNDP MCO	
								Recruitment, office setup	
								Publication training, print	

⁹ Funding secured from the UNDP Pacific Centre for the Joint Office setup
¹⁰ This activity will be implemented utilizing \$45,000 regular resources (programmed) re-phased from 2007 to 2008

Project ID	Project Description	Priority	Start Date	End Date	Responsible Agency	Other Resources	Amount
	<p>Strengthened government and CSO capacity and partnerships established to facilitate the creation of income generation and employment opportunities for disadvantaged groups, with focus on young people and women</p> <ul style="list-style-type: none"> • Consultations with Govt. & various potential private sector partners on possible partnerships for employment opportunities 	X	X		Government, UNDP MCO	Other Resources	40,000

	Annual WorkPlan Budget Worksheet	
	United Nations Development Programme	
	Palau	
	Year:	2008
	Project #: (Award ID)	Good Governance and Human Rights

Project ID	Project Title	Project Description	Activity	Output	Indicator	Target	Source of Funds	Budget Description	Amount
*****	Output 1 Legislative Needs Assessment for Palau completed	Activity 1.1 Results Legislative Needs Assessments Completed for Palau	X	UNDP MCO, consultant & Pacific Centre	Other Resources (DGTF ¹²)	Hire of Expert to undertake LNA	20,000 ¹³		
	<p>Baseline:</p> <ol style="list-style-type: none"> No prior LNA was conducted for Palau Lack of a meaningful understanding within UNDP and most development partners on the types of support that Senators and congress secretariat needed. <p>Targets: Palauan Congress including men and women effectively contributing to accountability and oversight through improved parliamentary functions</p>	<p>Actions</p> <ol style="list-style-type: none"> LNA TOR drafted and advertised Consultant recruited and contracted through SSA modality In country mission and logistical arrangements for consultant to undertake LNA study. LNA reports received from consultant and circulated for comments and approval by UNDP. <p>Indicators:</p> <ol style="list-style-type: none"> LNA completed with concrete and SMART recommendations for project design. 							

¹² Successful DGTF bid of \$50,000 secured in February 2008 not reflected in the RRF
¹³ \$10,000 of this total is available through DGTF, whilst \$10,000 remains to be mobilized

Activity	Description	Budget	Other Resources	Total
X	<p>Output 2: Orientation Programme for Senators and Delegates conducted following elections.</p> <p><i>Baseline:</i></p> <p>1. <i>Palau expressed Interest in exploring how such a workshop could be conducted since none of a similar nature was conducted in the past.</i></p> <p>Targets: Palauan Men & Women effectively contributing to accountability and oversight through improved parliamentary functions</p>	<p>Activity 2 Results</p> <p>Orientation Workshop for Senators and Delegates successfully conducted and completed</p> <ul style="list-style-type: none"> ▪ Actions 1. TOR for Lead Facilitator drafted and advertised. 2. Lead facilitator recruited and contracted through SSA contract modality and briefed on workshop outputs and deliverables as per (TOR) National and regional co-facilitators and experts recommended by Speaker of Palau and logistical arrangements for their travel to Palau finalized. 3. Facilitation Team Assembled 4. Conduct Workshop after 2008 elections. <p>Indicators:</p> <ol style="list-style-type: none"> 1. <i>Orientation Workshop Conducted for Senators and Delegates</i> 2. <i>Post workshop report produced</i> 	<p>UNDP MCO, Office of the Hon. Speaker and Facilitator</p>	<p>25,000¹⁴</p>
			<p>Other Resources (DGTF)</p> <p>Cost of Workshop</p> <p>Other Resources (DGTF)</p>	<p>20,000¹⁵</p>

¹⁴ \$20,000 of this total is available through DGTF, whilst \$5,000 remains to be mobilized

¹⁵ \$10,000 of this total is available through DGTF, whilst \$10,000 remains to be mobilized

UNDP PROJECT ID		UNDP PROJECT TITLE		UNDP PROJECT DESCRIPTION		UNDP PROJECT BUDGET		UNDP PROJECT AMOUNT	
UNDP PROJECT ID	UNDP PROJECT TITLE	UNDP PROJECT DESCRIPTION	UNDP PROJECT BUDGET	UNDP PROJECT AMOUNT	UNDP PROJECT BUDGET	UNDP PROJECT AMOUNT	UNDP PROJECT BUDGET	UNDP PROJECT AMOUNT	
	<p>Output 3 Participatory Project design completed</p> <p>Baseline :</p> <ol style="list-style-type: none"> Limited understanding of the capacity building needs of the Palauan congress and its support Offices Targeted support had not been provided for Legislators Office of the Clerk Implementation finalised <p>Targets: Palau Legislative Assembly effectively contributing to accountability and oversight through improved parliamentary functions</p> <p>Related CP outcome: 1 & 3</p> <p>Indicators:</p> <ol style="list-style-type: none"> Project document formulated and resources mobilised Stakeholders understand scope and focus of project. 	<p>Activity 3.1 Results</p> <p>A 3 year project document for support to the Legislature of Palau is drafted and approved within UNDP and endorsed by Government of the Republic of Palau.</p> <p>Actions:</p> <ol style="list-style-type: none"> Conduct Capacity Assessment on the recommendations endorsed by the Palau Legislative Assembly Design of a 3 years Project document Stakeholders roundtable on Project Design Building Partnerships and mobilisation of resources. Conducted PAC and LPAC for the project document. 	X	Workshop activity will be merged with Activity 2 in outcome 1	Other Resources (DGTF)	Consultation,	10,000 ¹⁶		

¹⁶ Funding available from DGTF source



Annual WorkPlan Budget Worksheet
 United Nations Development Programme
 Palau
 Year: 2008
 Project #: (Award ID)
 Project Title: Environment and Sustainable Management

Sustainable Economic Development through Renewable Energy applications (SEDREA)	Consolidation of information RE Policy and Institutional Capacity Building	X	X	X	Government of Palau, UNDP, GEF	Other Resources (GEF PAS)	Consultant, travel, consultation costs	30,000
Sustainable Economic Development through Renewable Energy applications (SEDREA)	<ul style="list-style-type: none"> • Consolidation of information RE Policy and Institutional Capacity Building • Established and operational fully staffed energy department with clear mandates, roles and responsibilities to implement the national energy program that incorporates renewable energy 	X	X	X	Government of Palau, UNDP, GEF	Other Resources (GEF PAS)	Consultant, travel, consultation costs	30,000
1 Remove barriers to Palau's efforts to reduce greenhouse gas emissions through the widespread use of feasible renewable energy technologies (RETs); 2) establish a national policy and program for renewable energy within the context of a national energy policy, 3) create a conducive environment for investments in RETs on the power generation at the utility level, 4) enhance socio-economic growth in the country's rural areas through increased application of household and village level RET applications.								

Project ID	Project Name	Project Description	Q1	Q2	Q3	Q4	Source of Funds	Funder Description	Amount
Palau Sustainable Land Management – Medium Size Project	<ol style="list-style-type: none"> 1. Community and Local Institutional Empowerment and Capacity Building 2. Institutional Land Use Planning Assessment and Strengthening 3. Legislative, Regulatory, and Enforcement Capacity Building 4. Integrating and Mainstreaming Land Use Planning 	<ul style="list-style-type: none"> • Relevant staff recruited under the SLM MSP, and trained on Land Use Planning. • Broad-based Inception Workshop and Stakeholder compilation of baseline targets for SLM M&E framework. • Land Use Capacity Needs Assessment and Strengthening • Technical Assistance and Training for Mapping/Modeling • Natural Resource Conservation Technical Assistance • Intro-Workshop and subsequent development of Community Visioning. • Model Training and Awareness utilizing BMPs implemented • Legislative, regulatory, and enforcement framework and capacity need review. • Including review of associated laws and regulations to support land use planning • Incorporate outcomes of Community Visioning into the formulation of Land Use Laws. • Draft Land Use Law, Unified National Building Code, State Zoning Codes 		X	X	X	Other Resources (GEF 3)	Establishment of project office costs, equipment, monitoring and evaluation costs	50,000 ¹⁷

¹⁷ Project recently approved in 2008

Project ID	Project Description	Activity	Outcome	Start	End	Other Resources (GEF 3)	Government of Palau, UNDP, GEF	Amount ¹⁸
Palau National Capacity Self Assessment Enabling Activity (NCSA EA)	Capacity diagnostics established to implement the major environmental conventions—UNFCCC, the UN Convention on Biological Diversity, and the UN Convention to Combat Desertification—in a coordinated and cost-effective manner maximising local level impacts.	<ul style="list-style-type: none"> Documentation and publication of lessons. National Action Plan drafted, presentation at workshop and finalization for submission. 	X	X	X	Other Resources (GEF 3)	Government of Palau, UNDP, GEF	9,900
Palau GEF Small Grants Programme	Community-based local action contributing to environment and energy global priorities	<ul style="list-style-type: none"> Grants disbursement Capacity Development initiatives 	X	X	X	Other Resources (GEF SGP and NZAID)	Micronesia Conservation Trust; Government of Palau, UNDP/GEF, Small Grants Programme	23,000

¹⁸ This activity will be implemented utilizing \$9,900 re-phased from 2007 to 2008. This amount is not captured in the RRF total for Outcome 4.

