Experiences, Challenges and Opportunities

Ministry of Finance, Republic of Palau

Judy L. Dean
Designated Authority, Office of the President

Asia Pacific Climate Finance Readiness Seminar #3
UN Conference Centre, Bangkok, Thailand
10-12 September 2014
Sharing Experiences: Transparency, self-investigative powers, and anti-corruption measures
Ministry of Finance, Republic of Palau

• Summary of Climate Change Adaptation in Palau
  ➢ Micronesia Challenge (MC): 2006-ongoing
  ➢ Micronesia Conservation Trust (MCT): 2002-ongoing
  ➢ Pacific Islands Climate Education Partnership: 2011-ongoing
  ➢ Pacific - Australia Climate Change Science and Adaptation Planning Program (PACCSAP): 2011-2013
  ➢ Coastal and Marine Resources Management in the Coral Triangle of the Pacific: 2008-2013
  ➢ Asia Pacific Climate Change Adaptation Project Preparation Facility: 2011-2016
  ➢ Implementing Sustainable Water Resources and Wastewater Management in Pacific Island Countries (Pacific IWRM):
- University of the South Pacific -EU GCCA Project: 2011-2014
- Coping with Climate Change in the Pacific Island Region (CCCPIR): 2009–2015
- Unite for Climate
- ADAPT Asia – Pacific Annual USAID Forum on Adaptation: 2012 - onwards
- Schools of the Pacific Rainfall Climate Experiment (SPaRCE): 1995–ongoing
- National Climate Change and Health Action Plan (NCCHAP)
- Pacific Adaptation to Climate Change Project (PACC): 2009-ongoing
- GEF 4 – US$3.2 million PACC Project “From Land to Sea (Farm to Table)” focus on Food Security

- GEF Small Grants Programme - US$1,969,670 for 46 projects executed by civil society and community-based organization

- GEF 5 – US$1,920,000 in biodiversity, US$2,000,000 in climate change, and US$500,000 in land degradation. To date, Palau has not utilized their STAR allocation.

- GEF 6 - $4.42 million (our President has already agreed to commit $1.4 million of the GEF 6 funding to Invasive Alien Species; remaining TBD)

- GCCA-PSIS – €600,000 Addressing water sector climate change vulnerabilities in the outlying states

- EU-GIZ – ACSE - €400,000 for Food Security
April 2011 – UNDP held Regional Climate Financing Workshop in Palau

December 2011 – Skype call with UNDP expressing interest in NIE accreditation

May 2013 – Grant Coordinator attends Regional Climate Financing Workshop in Fiji

July 2013 - Letter of request to UNDP for support of Palau’s NIE accreditation process
AF Accreditation Application Section IV

**Specific Capability Required:** Competence to deal with financial mismanagement and other forms of malpractice

**A. 11. Policies and Framework to deal with financial mismanagement and other forms of malpractices**

- **11.1.** Evidence/tone/statement from the top emphasizing a policy of zero tolerance for fraud, financial mismanagement and other forms of malpractice by implementing entity staff or from any external sources associated directly or indirectly with the projects

- **11.2.** Demonstration of capacity and procedures to deal with financial mismanagement and other forms of malpractice
Executive Order No. 349
Providing for the improvement of aid coordination and grant management and monitoring

Republic of Palau
Office of the President

Executive Order No. 349

October 17, 2013

Executive Order No. 349 provides for the further improvement of aid coordination and grant management and monitoring.

WHEREAS, pursuant to Executive Order No. 275, there was established within the Office of the President the Palau Bureau of Aid and Grant Oversight (BAGO), created to coordinate and streamline the government's receipt of grant and aid funds from foreign governments and international organizations;

WHEREAS, the need for a comprehensive and systematic approach to managing and coordinating grant and aid funds is critical to the government's ability to effectively and efficiently allocate resources for the benefit of the people of Palau;

WHEREAS, the Office of the President has determined that the establishment of the Office of Aid Coordination and Grant Oversight (OCAGO) is necessary to provide effective coordination and monitoring of grant and aid funds received by the government of Palau;

NOW THEREFORE, the President of the Republic of Palau, in accordance with the Constitution and applicable laws of the Republic of Palau, do hereby publish an ORDER providing for the creation of the Office of Aid Coordination and Grant Oversight (OCAGO)

Executive Order No. 349

October 17, 2013

The Office of Aid Coordination and Grant Oversight (OCAGO) is established within the Office of the President of the Republic of Palau, to provide coordination and monitoring of aid and grant funds received by the government of Palau.

The Office of Aid Coordination and Grant Oversight (OCAGO) shall be responsible for:

1. Providing coordination and oversight of all aid and grant funds received by the government of Palau, including:
   a. Reviewing and approving all grant and aid agreements and contracts;
   b. Ensuring compliance with all terms and conditions of grant and aid agreements;
   c. Monitoring the implementation of grant and aid projects;
   d. Ensuring timely disbursement of grant and aid funds;
   e. Reporting on the progress and outcomes of grant and aid projects;

2. Providing guidance and support to all government agencies in the receipt, management, and utilization of grant and aid funds, including:
   a. Providing training and technical assistance to government agencies on grant and aid management;
   b. Identifying areas for improvement in grant and aid management;
   c. Developing and implementing strategies to improve grant and aid management;

3. Developing and implementing policies and procedures to ensure the effective and efficient use of grant and aid funds, including:
   a. Establishing performance indicators for grant and aid projects;
   b. Establishing mechanisms for tracking and reporting on grant and aid funds;
   c. Establishing mechanisms for monitoring and evaluating grant and aid projects;

4. Providing coordination and monitoring of all grant and aid funds received by the government of Palau, including:
   a. Reviewing and approving all grant and aid agreements and contracts;
   b. Ensuring compliance with all terms and conditions of grant and aid agreements;
   c. Monitoring the implementation of grant and aid projects;
   d. Ensuring timely disbursement of grant and aid funds;
   e. Reporting on the progress and outcomes of grant and aid projects;

5. Providing guidance and support to all government agencies in the receipt, management, and utilization of grant and aid funds, including:
   a. Providing training and technical assistance to government agencies on grant and aid management;
   b. Identifying areas for improvement in grant and aid management;
   c. Developing and implementing strategies to improve grant and aid management;

6. Developing and implementing policies and procedures to ensure the effective and efficient use of grant and aid funds, including:
   a. Establishing performance indicators for grant and aid projects;
   b. Establishing mechanisms for tracking and reporting on grant and aid funds;
   c. Establishing mechanisms for monitoring and evaluating grant and aid projects;

The President of the Republic of Palau, in accordance with the Constitution and applicable laws of the Republic of Palau, do hereby publish this ORDER providing for the creation of the Office of Aid Coordination and Grant Oversight (OCAGO)

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal this October 17, 2013 at Ngerulmud, Republic of Palau.
President Directive No. 13-006

To direct the establishment of specific policies and procedures for the identification development, management and monitoring of Grants pursuant to Executive Order No. 349.

Page 1 - The Grant Coordinator shall work closely with the Bureau of Budget and Planning to ensure that all Grants and Grant Proposals are aligned with stated national priorities of the Republic.

Page 6 - Assurances. Prior to the release of funds awarded by a Grant Donor, the Grant Recipient shall sign assurances with respect to: (1) compliance with all applicable State and National statutes, regulations and policies; (2) prohibitions against discrimination; (3) financial capability; (4) generally accepted accounting standards; (5) sound procurement system; (6) conflict of interest; (7) reporting; (8) prior approval for all project actions and expenditures, including changes in key project personnel, scope or design; (9) drug-free workplace; (10) environmental impact; (11) hiring practices; and (12) working conditions. A copy of the Grant Award Assurances form is attached to this Directive.
ASSURANCES REGARDING GRANT AWARD

The Grant Recipient has the responsibility for executing Grant Project activities, adhering to the award conditions, and complying with the Grant Agreement. The Grant Agreement is an integral part of any grant program, and as such, the Grant Recipient must ensure that the grant activities are carried out in accordance with the requirements set forth in the Grant Agreement.

As the Authorized Representative of the Grant Recipient, I hereby confirm that the project documentation and project activities are being conducted in accordance with the terms and conditions of the Grant Agreement. I further certify that all project expenditures are being managed in a manner consistent with the objectives and requirements specified in the Grant Agreement.

This assurance is provided to ensure that all grant activities are conducted in a transparent and accountable manner. I hereby confirm that the Grant Recipient is committed to maintaining the highest standards of integrity and conformity with the terms and conditions of the Grant Agreement.

Additional information or assurances required as per the Grant Agreement.

[Signature]
Authorized Representative, Grant Recipient
5 a) **Tangible Property.** The Grant Recipient shall maintain a listing of tangible property that is purchased or assigned to it to support a Grant Project. Unless otherwise stated in the terms of the grant award, all such tangible property, including supplies and equipment, shall become the property of the national government and become a part of the government inventory. Upon cessation of an employee’s association with a Grant Project, or upon the cessation of the Grant Project, then all unexpended supplies and other property acquired under the authority of the Grant Project shall remain the property of the national government. **If any individual takes unauthorized possession of property belonging to a Grant Project, then information related to that unauthorized possession shall be forwarded to the Attorney General for prosecution.**
6. _______ The Grant Recipient will establish safeguards to prohibit employees from using their positions for a purpose that results in either a) a personal or organizational conflict of interest, or personal gain, or b) the appearance of a personal or organizational conflict of interest or personal gain. The officers, employees, and agents of the recipient will neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, or parties to sub-agreements. However, the recipient may set standards governing when the financial interest is not substantial or the gift is an unsolicited item of nominal value. The standards of conduct shall provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the Grant Recipient.
6. Whistleblower Protection. No employee, who in good faith reports a violation of this Directive or of Executive Order No. 349 shall suffer harassment, retaliation or adverse employment consequence. This Whistleblower protection is intended to encourage and enable employees and others to raise serious concerns and prompt corrective action within the National Government of the Republic of Palau and its Agencies prior to seeking outside resolution. The Grant Coordinator shall work with the Director of the Bureau of Public Service System to establish a government wide Whistleblower Policy, which shall be incorporated into the Public Civic Service Rules and Regulations, and which, upon implementation, shall preempt this provision.

7. Unauthorized use of Property. If any individual takes unauthorized possession of property, including research data or other intellectual property, belonging to or developed under a Grant Project, then information related to that unauthorized possession shall be forwarded by any agent of the national government who has such knowledge to the Office of the Public Auditor and the Attorney General for investigation and prosecution, as appropriate.
8. Penalties. If any employee of the national government is found to have violated Executive Order No. 349 or this Directive, then such action is hereby deemed to constitute insubordination and cause for adverse action under Civil Service Regulation No. 11.4 (c). Any employee of the national government that is found to have failed to comply with any part of Executive Order No. 349, or this Directive, shall be subject to not less than five (5) days of suspension from work without pay. Repeat offenses may result in escalating punishment.
FIFTH OLBIIL ERA KELULAU RPPL NO. 5-32
( Intro. as House Bill No. 5-35-1, HD1, SD4)
First Regular Session, January 1997
AN ACT

To establish a code of ethics for all government officials, to regulate campaign financing, to establish an Ethics Commission, and for other purposes.

Definitions...

(g) "Employee" means any nominated, appointed, or elected officer or employee of any state government or the national government. "Former employee" means a person who has been an employee within the preceding two years...

Section 4. Use of nonpublic information. No employee or former employee may use information acquired in the course of the employee's official duties for the employee's personal gain until such information has been made available to the general public.
Section 5. Use of government property. No employee may use national or state time, equipment, facilities, assets or property for political activities or other private activities that serve no governmental or public purpose.

Section 6. Conflict of interest.

(a) No employee may take, participate in taking or use his or her government position to attempt to influence any official action where it is reasonably foreseeable that the action could have a material financial effect on that employee, or on any financial interest of that employee, that is different from the effect on the public generally. An employee who is unable to disqualify himself on any matter because he is the only person authorized by law to perform the official action will not be in violation of this subsection if he has complied with the disclosure requirements in section 7.

(b) No employee may acquire a financial interest in any business or other undertaking which he has reason to believe may be directly affected by official actions to be taken by him.

(c) No employee may assist any person for compensation or act in a representative capacity before any national or state government agency in any matter that relates in any way to the governmental duties of the employee.
(d) **No employee may use or attempt to use the employee's official position to secure or grant privileges, exemptions, advantages, contracts, or treatment, for himself or others,** including but not limited to the following:

(1) Seeking other employment or contracts for services for the employee by the use or attempted use of the employee's office or position; and

(2) Soliciting, receiving or accepting compensation or other consideration for the performance of the employee's official duties or responsibilities except as provided by law;

(3) Soliciting, receiving or accepting any gift or other item of monetary value from any person seeking official action from, doing business with, or conducting activities regulated by the employee's agency, or from any person whose interests may be substantially affected by the performance or nonperformance of the employee's duties; provided that this subdivision shall not apply to wedding gifts, customary gifts and gifts exchanged between individuals on birthdays, holidays and other similar occasions, provided that the gifts exchanged are not substantially disproportionate in value.
Section 13. Penalties.

(a) Criminal penalties. Any person who knowingly or willfully violates any provision of this Act is guilty of a misdemeanor. In addition to other penalties provided by law, a fine of up to $10,000 shall be imposed for each violation. For violations of the reporting requirements, a fine of up to three times the amount the person failed to report properly may be imposed for conviction of each violation. Prosecution under this subsection must be commenced within four years after the date on which the violation occurred, or in the case of a public official, four years after the public official leaves government service. Prosecution under this section may be undertaken by the Attorney General or Special Prosecutor.

(b) Civil penalties. Any person who intentionally or negligently violates any provision of this Act shall be liable in a civil action brought by the Commission, Attorney General, the Special Prosecutor or a citizen of the Republic for an amount not more than $10,000 or, in the case of a violation of the reporting provisions of this Act, an amount not more than the amount or value not properly reported or $10,000, whichever is greater. If a judgment is entered against the defendant in an action brought by a citizen of the Republic, the plaintiff shall receive 50% of the amount recovered, and shall be entitled to recover from the defendant his costs of litigation, including reasonable attorneys' fees. Before a citizen may bring an action pursuant to this section, the citizen must submit a written request to the Commission, Attorney General and Special Prosecutor asking that they bring a civil action and a written statement setting for the specific facts upon which the citizen bases his or her allegation. …
Summary of Ethics/Fraud/Misconduct Cases in Republic of Palau

1. ROP v. ******************* Criminal Case No. 13-115, Officer ******************* was charged with one count of Assault and Battery for punching an individual in the eye, who was handcuffed and sitting on the back seat of the patrol car. Officer ******************* entered a guilty plea to this count, and was placed on six (6) months of probation.

2. ROP v. ****************** Criminal Case No. 13-064, Quarantine Officer ****************** was charged with thirteen (13) counts of Bribery and two (2) counts of Misconduct in Office. The charges were based upon Officer ******************'s demands for cash from a Palauan business man to bypass the quarantine process. He entered guilty pleas to three (3) counts of Bribery and one (1) count of Misconduct in Office, and was sentenced to two (2) years of imprisonment. He also was fined $45,000, and was prohibited from seeking employment in the public sector for ten (10) years. During his sentencing, the Chief Justice specifically noted that "bribery is one of the worst crimes affecting the Republic" and that he would have sentenced ****************** to a much longer sentence if he had not entered a guilty plea.

3. ROP v. ****************** Criminal Case No. 13-153, Bureau of Public Officer ****************** is charged with one (1) count of Aggravated Assault and one (1) count of Assault and Battery with a Dangerous Weapon. At the time of these offenses, he was assigned to the former President's security detail. He faces these charges because he shot a citizen with his police service revolver while he was off-duty. The case is still pending, and the current plea discussions have prison time as a mandatory element of the plea agreement.

4. ROP v. ****************** Criminal Case No. 13-057. In this matter Bureau of Public Safety Officer ****************** is currently charged with Prostitution, Human Trafficking, and other offenses concerning his connection to the Shangrila Massage business. This case is set for trial and is in the negotiation phase.
Summary of Ethics/Fraud/Misconduct Cases in Republic of Palau cont’d

6. ROP v. ****************** Criminal Case No. 12-112. In this matter a BPS officer was charged with Assault with a Dangerous Weapon in addition to other charges for a domestic violence incident. He ultimately pled guilty in April 2013 and was offered what is called a "3110" which provides that if he successfully completes probation and appropriate treatment, that the conviction will be removed from his record.

7. ROP v. ****************** Criminal Case No. 13-151. ****************** was previously employed by the Bureau of Public Safety in the drug enforcement division. After leaving her employment there, she was employed with the Koror State Rangers. In this matter she was charged with the Taking of Sea Turtle Eggs and Obstruction of Justice. She pled guilty to the Taking of Sea Turtle eggs, was placed on probation and ordered to pay a fine.

8. ROP V. ****************** Criminal Case No. 13-083. In this matter ****************** was charged with Conspiracy to Commit Bribery, Bribery, and Misconduct in Office. These charges stemmed from ******************, a labor officer, receiving money from a citizen for transferring employees improperly. ****************** pled guilty to Misconduct in Public Office as the result of plea negotiations. He was placed on probation and fined.
RPPL 9-32: AN ACT

To create a more open and transparent government so that the people of the Republic may hold their elected government representatives accountable, and for other related purposes.
“(a) All meetings of a governing body shall be open and public, and all persons shall be permitted to attend any meeting of the governing body, unless otherwise provided by this Act or other law.”

“(b) The minutes of all meetings of any governing body that are open and public shall be available upon request.”
Exceptions:

(f) a personnel, medical, or similar file the release of which would constitute a clearly unwarranted invasion of personal privacy; provided that disclosure of a government employment contract or contract of an independent contractor working for a government, including any contracts that are performed as part of the execution of a foreign aid grant, are deemed to not be an invasion of personal privacy;
November 20 to 29, Koror, Palau
Preliminary Assessment of Palau’s Readiness to Seek Accreditation from the Adaptation Fund Board

Mr. Kevin Petrini, Regional Climate Policy Advisor
MDG Unit, UNDP Pacific Center
Suva, Fiji
kevin.petrini@undp.org
<table>
<thead>
<tr>
<th>Capacity Required for AF Accreditation</th>
<th>Specific capability required by AF/Supporting documentation that may be provided</th>
<th>Ministry of Finance (MoF)</th>
<th>National Development Bank (ND6B)</th>
<th>Palau Protected Areas Network Fund (PANF)</th>
</tr>
</thead>
</table>
| **1) Legal status**                   | a. Demonstration of necessary legal personality  
   i) Documentation of legal status and mandate (please highlight the relevant paragraphs) | 2 PNC [1.1.1], Chapter 1 Executive Order 203 as amended [1.1.9] | 2 PNC [1.1.11] - The National Development Bank Act | 5 RPPL 7-42 PAN Act [1.1.4]  
   24 PNCA [1.1.5] 3401 PAN Charter [1.1.6]  
   Palau Protected Areas Network Fund – Articles of Incorporation [1.1.7] |
|                                       | b. Demonstration of legal capacity/authority and the ability to directly receive funds  
   i) Same documentation or separate supporting documentation  
   ii) List of foreign loan/donor funds handled over the last 2 years | 40 PNC [1.1.10] Chapter 1 Executive Order 203 [1.1.9]  
   Annual Audit – Financial statements FY2011(pp.116-128) [1.2.2] | 26 PNC [1.1.11]  
   Copies of ELP program agreements,[1.1.13]  
   GL evidencing fund trail and separation of program funds from the Bank's general funds.  
   List of foreign loan/donor funds handled over the last 2 years | 5 Palau Protected Areas Network Fund – Articles of Incorporation [p.6] [1.1.7]  
   MoU between Ministry of Finance Republic of Palau and PANF [1.1.8]  
   PAN Charter [1.1.6] |
| **2) Financial statements including Project Accounts statement and the provisions for Internal and External Audits.** | Production of reliable financial statements that are prepared in accordance with internationally recognized accounting standards  
   i) Audited Financial Statements | Financial Statements and Independent Auditors’ Report for the year ended September 30, 2012 [1.2.1] and 2011 [1.2.2] for ROP which includes MoF  
|                                       | Production of annual external audited accounts that are consistent with recognized international auditing standards  
   i) External Auditor Reports  
   ii) Audit Committee’s Terms of Reference | Financial Statements and Independent Auditors’ Report for the year ended September 30, 2012 [1.2.1] and 2011 [1.2.2] for ROP which includes MoF  
   26 PNC [1.1.1] NDBP Board of Director’s roles are detailed in subchapter 3, subsection 141. 141-151  
   NDBP financials are in compliance with GAAP.  
   The NDBP Board of Directors has oversight over the Bank’s audited financials.  
<table>
<thead>
<tr>
<th>Demonstration of use of accounting packages that are recognized and familiar to accounting procedures in developing countries</th>
<th>DILOG - Financial Management system [1.2.14]</th>
<th>5</th>
<th>MAS90 [1.2.16]</th>
<th>5</th>
<th>Quickbooks Pro 2012</th>
<th>4</th>
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<tbody>
<tr>
<td>Demonstration of use of a control framework that is documented with clearly defined roles for management, internal auditors, the governing body, and other personnel</td>
<td>National Treasury Policies and Procedures [1.3.5] Trying to update the policies and procedures – by end of December.</td>
<td>5</td>
<td>Cash Disbursement Policy [1.3.6] Cash Management Policy [1.3.7]</td>
<td>4</td>
<td>PANF Operations Manual (pp.8-9) [1.3.1] PANF by-laws [1.1.12]</td>
<td>4</td>
</tr>
<tr>
<td>Production of long term business plans/financial projections demonstrating financial solvency</td>
<td>Medium Term Budget Framework (MTBF) document [1.4.1] 40 PNC [1.1.10] Chapter 3</td>
<td>5</td>
<td>10 year Strategic Plan and 2013 Budget. Budgets are done annually guided by the Bank’s strategic plan. The strategic plan is reviewed every three years. 2013 is the 3rd year evaluation and evaluation is underway. Copy of Strategic Plan [1.4.3] Copy of 2013 Budget [1.4.4] Copy of Sept. 2013 Financials or month end report. [1.4.5]</td>
<td>3</td>
<td>Micronesia Challenge Sustainable Finance Plan[1.4.2] PAN Fund Operations Manual [1.3.1]</td>
<td>1</td>
</tr>
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<td>Capacity Required for AF Accreditation</td>
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<td><strong>1) Procurement</strong></td>
<td>Evidence of transparent and fair procurement policies and procedures at the national level that are consistent with recognized international practice (including dispute resolution procedures) i) Procurement Policy ii) Detailed procedures or guidelines including composition and role of key decision making committees iii) Provisions for oversight/audit /review of the procurement function with an actual sample of oversight/audit/review reports iv) Procedures for handling/ controlling procurement in Executing Agencies</td>
<td>4 PNC [1.1.10] Chapter 6 – Government Procurement Annual Audits CIP uses a source Evaluation Board (SEB) Executive order 100 [2.1.1] – Property Management Policies and procedures – march 5, 1991 Module within DILOG for procurement</td>
<td>5 Procurement Policy [2.1.2]</td>
<td>4 PANF Operations Manual (pp.11-12) [1.3.1] PNC – dispute resolution</td>
<td></td>
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<tr>
<td><strong>2) Project preparation and approval. This should include impact (environmental, socio-economic, political, etc.) assessment study with risk assessment and mitigation plans</strong></td>
<td>Demonstration of capability and experience in identification and design of projects (preferably adaptation projects) i) Detailed project plan documents for 2 projects</td>
<td>Palau Medium Term Development Plan [2.2.2] Explanatory Booklet MTDP [2.2.3] Public Sector investment project Facility for Economic and Infrastructure management (FEIM) OIC Construction, Landfill discussion</td>
<td>2 Energy Loan Programme</td>
<td>2 Natural Resource Management Plans</td>
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<td>Demonstration of availability of/access to resources for and track records of conducting appraisal activities i) Details of the project approval process/procedure ii) 2 samples of project appraisals undertaken</td>
<td>Capitol and Airport</td>
<td>2 Copies of Energy Loan Program (ELP) flyers, Project Agreement, Power Point Presentation on ELP.</td>
<td>2 Natural Resource Management Plans</td>
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<tr>
<td>MOF</td>
<td>84</td>
<td>NDBP</td>
<td>67</td>
<td>PAN Fund 72</td>
<td></td>
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## Preliminary Key Findings

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<th>Standard</th>
<th>MoF</th>
<th>NDB</th>
<th>PANF</th>
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<tbody>
<tr>
<td><strong>Financial Management and Integrity</strong></td>
<td>2 PNC</td>
<td>26 PNC</td>
<td>24 PNC</td>
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<td></td>
<td>40PNC, Audited statements, Dialog</td>
<td>Audited Statements, MAS90</td>
<td>40 PNC, audited statements, Quickbooks</td>
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<td></td>
<td>40PNC, Medium Term budget framework</td>
<td>Strategic Plan 2011-2020, annual budget and monthly reports</td>
<td>No evidence of multi-year budget frameworks</td>
</tr>
<tr>
<td><strong>Institutional Capacity</strong></td>
<td>40 PNC</td>
<td>Operations manual</td>
<td>Operations Manual</td>
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<td></td>
<td>EIA, Facility for Economic and Infrastructure management (FEIM)</td>
<td>Procurement Policy, Annual Audit</td>
<td>Operations Manual</td>
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<td>23</td>
<td>14</td>
<td>23</td>
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Asia Pacific Climate Finance Readiness Seminar #3  
UN Conference Centre, Bangkok, Thailand  
10-12 September 2014
## Preliminary Key Findings

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<tr>
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<th>PANF</th>
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<tbody>
<tr>
<td><strong>Fiduciary Standards</strong>*</td>
<td>Strong</td>
<td>Strong</td>
<td>Medium</td>
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<tr>
<td><strong>Sectors</strong></td>
<td>Multi-sectoral</td>
<td>Energy</td>
<td>Environmental Management</td>
</tr>
<tr>
<td><strong>Modalities</strong></td>
<td>Multiple</td>
<td>Subsidized loans</td>
<td>Grants Programme</td>
</tr>
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*relative ratings
• Way Forward – Working with UNEP to secure funding support for
  ➢ a) Review of the draft Project Implementation Manual in ensuring it meets AF standards
  ➢ b) Procurement of a projects management system (off the shelf) and provision to import and synchronize budget information from DILOG system
  ➢ c) Review of Palau’s Code of Ethics to ensure AF standards are met and provision of recommendations to incorporate ethics standards into the projects implementation manual or other operational procedures of the Ministry of Finance, if gaps are identified

• Submission expected by August 2015
Thank you for your kind attention. We look forward to seeing you in Palau!