

PLANNING OUR FUTURE – A MEDIUM TERM DEVELOPMENT STRATEGY FOR PALAU

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Rationale for a Medium Term Development Strategy

The Republic of Palau has a long term National Master Development Plan (NMDP) that sets out policies and plans to 2020. The NMDP was finalised in 1996 and is a very comprehensive document covering virtually all sectors, institutions and policies in Palau that were relevant at the time. Since then there have been numerous other plans and policies that have been formulated although nothing as comprehensive as the NMDP. Many sectors have to deal with a range of plans and requirements that make it difficult to establish strong priorities and help ensure the most effective use of the country's natural resources and human resources. In 2001 a Management Action Plan was formulated that emphasized structural adjustment of the public sector and a focus on improving the overall quality of life of Palauans. Good progress was made in implementing the Management Action Plan and its goals are still highly relevant as are many of the goals and themes in the NMDP.

However, it is now an opportune time to assess where we are as a nation in terms of economic and social development and the state of our natural resources and to develop a clear and practical strategy for national development with a medium term 5 year focus. One of the problems with the NMDP is that it has such a long term focus and it provides limited guidance on priorities to reach our long term goals. Palau needs a Medium Term Development Strategy (MTDS) that establishes meaningful priorities and recommends credible policies, institutions and practical actions to address those priorities. An effective MTDS also needs to be flexible in being able to be adjusted to address changing priorities and gaps or weaknesses that only become recognized as time passes, and it needs to be accessible and well understood by the community.

Preparation of the Strategy

Recognizing this need to update our policy and planning framework along these lines, the government is in the process of preparing a clearly focussed, practical and action-oriented Medium Term Development Strategy (MTDS) that the community as a whole will identify with. The MTDS will not be in the form of a detailed plan but rather it will set priorities and provide a framework for action.

The government began the process of preparing a MTDS with support from the Asian Development Bank in September of 2007. A Facility for Economic and Infrastructure Management (FEIM) has been established with a team of international and domestic consultants contracted to help prepare the MTDS. The team has been providing assessments and advice and undertaking consultation on a range of policy, planning, economic development, social, environmental and infrastructure issues.

A Project Steering Committee was established by a recent Presidential Directive (No. 07-003) to supervise the preparation of the MTDS. It comprises representatives of the Ministry of Finance, the Ministry of Resources and Development, the Ministry of Health, and the Ministry of Education and the Office of the President as well as representatives of the Governors association, the

Chamber of Commerce and the Alliance of Non-State Actors. The Project Steering Committee has been meeting regularly to supervise and guide the work of the FEIM team.

To date considerable work has been undertaken in the Agriculture, Fisheries and Environment sectors and work is well underway on Economic Policies, Education and Health, Infrastructure and Public Enterprise issues. Although much work has been done to date there is still much to do before an effective MTDS can be finalized.

The months of February and March of this year have been and will continue to be a particularly busy time for the FEIM team. The Project Steering Committee met several times in February and further meetings are planned for March. The Committee will be keeping the community informed on progress in preparing the MTDS with regular press releases.

The PINZ team

Polytechnics International New Zealand (PINZ) has been contracted to provide a team of international and national consultants for the FEIM project. The PINZ team comprises: a team leader and macroeconomist; an infrastructure specialist; a privatization and public enterprise specialist; an environmental specialist; a social sector specialist; a tourism specialist; an agriculture specialist; an aquaculture and fisheries specialist; a National Advisor on communication and Palauan issues; and a National Coordinator to assist with research, communications and logistics. There are a total of 21 months of international consultants time and 22 months of national consultants time and an additional 5 months of unallocated time to be spread over the project from September 2007 to July 2009. Additional inputs will be provided by Government counterpart staff and the PSC.

Process for conducting assessments, adoption of findings and public consultations

The PINZ team will be undertaking assessments of the situation in for a range of policies, institutions and sectors. Reports will be prepared setting out the findings and recommendations for policies, strategies and actions for consideration and approval by the PSC. Once the reports have been approved by the PSC the findings and recommendations will be incorporated into the MTDS and communicated to the public through press releases and presentations under the guidance of the PSC.

Contact details

Information on the FEIM project can be obtained by contacting the Office of the Minister of Finance on 488 2566 or 767 1269