



OFFICE OF THE PUBLIC AUDITOR
REPUBLIC OF PALAU

PERFORMANCE AUDIT

**OF PREPAREDNESS FOR IMPLEMENTATION SUSTAINABLE
DEVELOPMENT GOALS**



BUREAU OF BUDGET AND PLANNING, MINISTRY OF FINANCE
(National Government's SDG Focal Point)
REPUBLIC OF PALAU



FOR THE PERIOD FROM JANUARY 1, 2016 TO MAY 25, 2018

Performed by the Office of the Public Auditor

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REPUBLIC OF PALAU



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Mr. Casmir E. Remengesau
Director
Bureau of Budget and Planning
Ministry of Finance
Koror, Republic of Palau

Subject: Final Audit Report on SDG's

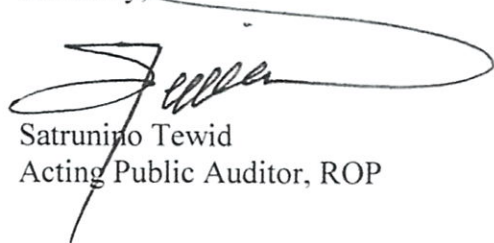
Dear Director Remengesau:

Transmitted herewith is the final Performance Audit of Preparedness for Implementation of Sustainable Development Goals (SDG's).

The Office of the Public Auditor (OPA) received your response to the Draft Audit Report. The response is published verbatim in the final report.

If you have any questions regarding the report or subject matters discussed therein, the OPA will be available to discuss them at your request.

Sincerely,



Satrunino Tewid
Acting Public Auditor, ROP

Performance Audit of Preparedness for Implementation of Sustainable Development Goals



Bureau of Budget and Planning, Ministry of Finance
(National Government's SDG Focal Point)
Republic of Palau



Summary of results of the audit of National Preparedness for the Implementation of Sustainable Development Goals (SDG) based on the three audit objectives: framework; resources and capacities; monitoring are:

- Palau has not established an overarching policy framework for the implementation of the 2030 Agenda for sustainable development into a national context with respect to the 2030 Agenda awareness and integration of the Agenda and SDGs into national processes; however, there are existing policy framework arrangements prepared for implementation of country SDGs interconnected to the 2030 Agenda for sustainable development and SDGs embedded into national context to some extent.
- Palau provides resources and capacities to support activities that are linked to the implementation of the SDGs and 2030 Agenda.
- Palau has not established a mechanism to monitor, follow-up, review, and report on the implementation of SDGs.

AUDIT AT A GLANCE

Palau has not established an overarching national policy framework for the implementation of the 2030 Agenda for sustainable development into national context with respect to 2030 Agenda awareness and integration of the Agenda and SDGs into national processes. However, there are existing policies framework and/or strategies prepared for implementation of country SDGs interconnected to 2030 Agenda and sustainable development into national context to some extent. These national processes require developing, validating, and updating to align with the vision and principles of the 2030 Agenda for sustainable development and SDGs for effective implementation.

In addition, resources and capacities are provided to support the activities of government agencies and sectors that are linked to the implementation of the SDGs and 2030 Agenda, which are provided by the local government and development partners.

However, there are no mechanisms in place to monitor, follow-up, review and report on progress of implementation of the SDGs and the 2030 Agenda.

The chart below depicts an estimated position of the Government of Palau (GoP) based on an evaluation of its preparedness on the implementation of the SDGs and 2030 Agenda rated on the scale of 0-35, 35 being the highest point and 0 the lowest, based on the existing country's national policies framework, resources and capacities, and monitoring, follow-up, review and reporting on the progress towards the implementation of SDGs and 2030 Agenda.

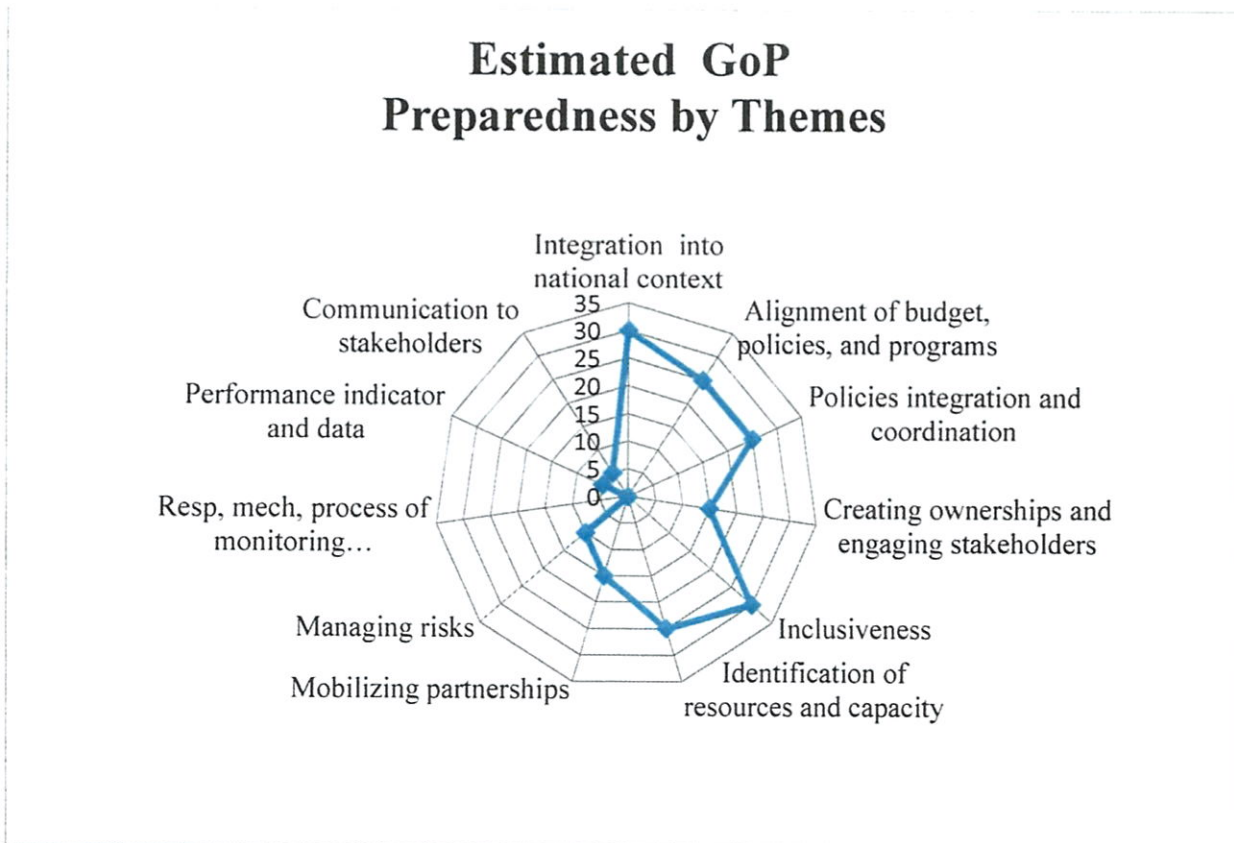


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ACRONYMS and ABBREVIATIONS

BBP	Bureau of Budget and Planning
CSOs	Civil Society Organizations
DPO	Disabled Persons Organization
EQPA	Environmental Quality Protection Act
GAGAS	Generally Accepted Government Auditing Standards
HLPF	High Level Political Forum at the global level
INTOSAI	International Organisation of Supreme Audit Institutions
ISSAI	International Standard of Supreme Audit Institutions
MCCA	Ministry of Community and Cultural Affairs
MTGs	Medium Term Goals
MOE	Ministry of Education
MOF	Ministry of Finance
MOH	Ministry of Health
MNRET	Ministry of Natural Resources Environment and Tourism
MPIIC	Ministry of Public Infrastructure, Industries & Commerce
MTDS	Medium Term Development Strategy
MTFP	Medium Term Fiscal Policy
NCD	Non-Communicable Disease
NEPA	National Environmental Protection Act
NGOs	Non-Governmental Organizations
OEK	Olbiil Era Kelulau (Palau National Congress)
OPA	Office of the Public Auditor
PASAI	Pacific Association of Supreme Audit Institutions
PCAA	Palau Community Action Agency
PCC	Palau Community College
PEA	Palau Energy Administration
PIFS	Pacific Islands Forum Secretariat
PNCC	Palau National Communications Corporation
PNMDP	Palau National Master Development Plan
PPUC	Palau Public Utilities Corporation
RoP	Republic of Palau
RPPL	Republic of Palau Public Law
SAI	Supreme Audit Institution
SD	Sustainable Development
SIDS	Small Islands Development States
SDGs	Sustainable Development Goals
SDS	Sustainable Development Strategy
SoRA	Statement of Republic Address (RoP President)
UN	United Nations
UNCTs	United Nations Country Teams

EXECUTIVE SUMMARY

An Audit of Preparedness for implementation of Sustainable Development Goals (SDGs) is crucial for ensuring effective and efficient implementation of set goals and targets. Accordingly, the 2030 Agenda explicitly recognizes the importance of national ownership of development strategies to:

- Adopt the 2030 Agenda for sustainable development into national context;
- Identify and mobilize resources and capacities required for implementation, and
- establish mechanisms for monitoring, follow-up, review and reporting on the progress of implementation.

These strategies are important for the effective implementation and achievement of the 2030 Agenda for sustainable development.

AUDIT PURPOSE

The purpose of the audit is to determine how well the Government of Palau is prepared for the implementation of the SDGs and the 2030 Agenda for sustainable development by assessing the framework; policies in place to guide the implementation, capacities and funding needed and if progress is being monitored and reported.

AUDIT SCOPE AND OBJECTIVES

The audit scope covers the period from January 1, 2016 through May 25, 2018 and mainly focused on the Bureau of Budget and Planning, the lead bureau (National SDG Focal Point) under the Ministry of Finance tasked with the responsibility for the preparedness for the implementation of sustainable development goals.

The audit objectives are: (1) to what extent has the National Government adopted 2030 Agenda into its national context, (2) has the government identified and secured resources and capacities needed to implement the SDGs and 2030 Agenda, and (3) has the government established a mechanism to monitor, follow-up, review and report on progress towards implementation.

AUDIT MAIN FINDINGS

The Palau Government as represented by the Bureau of Budget and Planning (National SDG Focal Point) has not integrated the 2030 Agenda (framework) for sustainable development into its national context. Consequently, the government lacks a proper political process of delegation from high level leadership commitment (congress/executive president) to lower level and therefore roles and responsibilities at the national level to implement the SDGs are not clearly defined for effective implementation of sustainable development as prescribed in the 2030 Agenda. Because the process lacks supportive commitment and recognized roles and responsibilities, the whole-of-government (WoG) approach is not in place to support the cross-cutting nature of the 2030 Agenda and related national sustainable development efforts. This WoG approach is needed to shift the focus of government performance towards results that the government seeks to achieve rather than the operations of any single program or agency.

However, there are existing Government National Development Plans such as the “Vision 2020”, developed in 1996, and Medium Term Development Strategy, developed with a medium-term 5-year focus (2009-2014), that have an influence on country’s sustainable development priority areas that are linked to the 2030 Agenda for sustainable development and the SDGs. These National SDGs Priorities are the responsibilities of specific Ministries and Sectors at National Level to develop their plans, policy structures and course of actions to carry out their implementation.

As of the audit reporting, the 2020 Vision is the only comprehensive living document and long-term development plan in place to integrate the RoP’s sustainable development dimensions. Nevertheless, this plan was prepared over twenty years ago and has limited guidance on priority targets and indicators to ensure effective implementation of sustainable development goals as prescribed in the 2030 Agenda.

Additionally, the National Government lacks national policy framework as means to build public awareness and various stakeholders’ engagement at the national and other levels of governance on how to engage and communicate the 2030 Agenda for sustainable development and SDGs for effective implementation.

Moreover, though there are existing policy frameworks that provide guidance to Palau’s sustainable development as an integral part of the means of implementation towards economic growth, environmental protection, people well-being, and natural resources preservation, the government has not adapted and aligned the current institutional mechanisms to the vision of 2030 Agenda for sustainable development. And this is because the various overarching national policy frameworks are either yet to be developed, validated and updated to enhance policy coherence issues to the goals and vision of the 2030 Agenda.

As for resources and capacities needed for the implementation of SDGs and the 2030 Agenda, the government of Palau provides local funding and capacity to the implementing agencies who conduct SDGs’ activities that are linked to the implementation of SDGs and 2030 Agenda. These implementing agencies as well as Non-Government Organizations (NGO) also receive resources and capacities from other donors. The Bureau of Budget and Planning is still in its initial stage of leading the implementation of SDGs and 2030 Agenda and therefore has yet to revise and adopt targets and indicators needed to identify the gaps of needed resources and capacities. After gaps are identified, then the BBP will first seek support from the local government to bridge the gaps and, if necessary, solicit outside sources.

In addition, there is no system in place for monitoring results and reporting on the progress in implementing the 2030 Agenda for sustainable development. This is so because the BBP at the time of the audit reporting is still in the initial stages of SDGs localizing at the national level by identifying and taking stock of applicable baseline data availability to Palau’s National Core Indicators (draft) and comparing with global indicators.

CONCLUSIONS

In conclusion, the OPA concluded that the Palau Government, represented by the Bureau of Budget and Planning under the Ministry of Finance, was not adequately prepared to lead the implementation of the United Nations' (UN) 2030 Agenda for sustainable development due to the government's guiding national development plans not translated and aligned to the 2030 Agenda goals and vision to guide the implementation of the 2030 Agenda for sustainable development and SDGs. The cause of this barrier is that Palau has not established an overarching policy framework for the implementation of the 2030 Agenda for sustainable development into a national context with respect to the 2030 Agenda awareness and integration of the Agenda and SDGs into national processes. Further, the BBP may need to develop and implement a planning communications strategy aimed at increasing understanding among government stakeholders and non-government key stakeholders of their roles and responsibilities in the national planning process to achieve the national development goals and targets and the successful implementation of sector plans, strategies, and budgets to implement the 2030 Agenda for sustainable development and SDGs.

Palau provides local resources such as funding and other capacities that support its programs and activities, which are linked to the implementation of the SDGs and 2030 Agenda, including funding and capacities from donor partners. But the BBP has not collaborated with implementing agencies and partners to identify resource gaps to support the implementation of the SDGs. However, as a prerequisite to identifying resource gaps, the BBP has to revise and adopt targets and indicators needed to identify the gaps of needed resources. The implementing government agencies and sectors do have funding and capacities in place but without collaboration and coordination, the network of funding and capacities are not mobilized and shared among the implementing agencies and sectors. The BBP needs to identify available resources and capacities as well as the gaps and establish an innovative method to identify risks and risks mitigating strategies in securing resources and capacities needed for the implementation of the SDGs and 2030 Agenda.

Further, the government has not designated an agency to be responsible to conduct monitoring, follow-up, review and reporting on the progress of implementation and, to that end, has not worked with the relevant implementing agencies and sectors to design and develop a mechanism for undertaking monitoring, follow-up, review and reporting on the progress of implementation of SDGs and the 2030 Agenda.

RECOMMENDATIONS

As represented by the BBP, the Palau National Government is still in the initial phase of preparation for the implementation of SDGs and adapting and integrating the 2030 Agenda into national context. Accordingly, the OPA recommends that the BBP communicate to high-level leadership in the government that adopting the overarching policy framework for the implementation of the SDGs and the 2030 Agenda into the national context is vital for effective implementation.

Integration of the 2030 Agenda into National Context

- high-level leadership commitment should recognize the implementation of the SDGs and 2030 Agenda for sustainable development to establish a clear focal point to lead the implementation and to identify roles and responsibilities, and accountabilities of responsible and accountable national organizations to take lead in the effective implementation of the SDGs and the new Agenda,
- the national government's long-term and medium-term sustainable development policies and/or strategies should be rationalized, validated and integrate the adaptation and endorsement of the 2030 Agenda that implies a more aspiring policy that puts emphasis on well-being, prosperity and sustainability for all the people of generation and those to come for effective implementation of the 2030 Agenda for sustainable development and the SDGs,
- the national government consider to establish a medium-term fiscal framework to help manage future fiscal challenges and also as a tool to stabilize economy and strengthen country's ability to cope with shocks,
- the national government should assess and establish horizontal and vertical integration policy and coordination of the sustainable development dimensions that set the overall direction and priorities to express SDG efforts in a coherent way at national level and other levels of governance thru a shared vision,
- the national government should establish an inclusive communication and engagement strategy as a tool for the government to raise public awareness of the 2030 Agenda for sustainable development, and consult and engage other levels of governments and citizens as well for effective implementation of the SDGs, and
- the draft National Disability Policy being a model for the concept of inclusiveness that embeds the three dimensions of sustainable development should be reviewed and finalized by the Minister of MCCA for the successful and effective implementation to address the needs and rights of persons with disabilities and to build a more equal and inclusive Palauan society.

Resources and capacities for implementing the 2030 Agenda

- The Bureau of Budget and Planning communicate with the implementing agencies, sectors, NGOs, societies, community groups and engage with their stakeholders as well to identify capacities and funding provided by the national budget as well as other donor partners so that gaps of needed resources such as funding and capacities could be identified upon the revision and adoption of the national core indicators.
- Executive Order be established and issued to designate the focal point to lead the implementation of SDGs with clear roles and responsibilities including the identification of needed resources such as capacities and funding for the implementation of SDGs and 2030 Agenda.
- The focal point so designated be sufficiently resourced to include staff, equipment and such other capacities to lead the implementation of SDGs and the 2030 Agenda.

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- A working group be established, to include representatives from implementing agencies, sectors and NGOs who have working knowledge on their respective organizational program/project goals, targets and indicators, to partner, collaborate, network and coordinate with the Bureau of Budget and Planning in mobilizing the partnership to share funding and capacities for a more effective and efficient implementation of the SDGs.
- The lead agency (BBP) collaborates and coordinates with the working group to revise and adopt the national core indicators, identify needed data and statistics for monitoring performance against core indicators and identify gaps of needed capacities and funding for the implementation of the national core indicators, which are linked to the national budget.
- The BBP collaborates and coordinates with the working group to establish an innovative method to identify risk and risk mitigating strategies in securing resources and capacities needed for the implementation of the SDGs and 2030 Agenda.

Monitoring, Follow-up, Review and Reporting on progress towards the implementation of 2030 Agenda

- The President consult with the BBP to designate an agency to be responsible for monitoring, follow-up, review and reporting on progress towards implementation,
- The agency designated the responsibility for monitoring, follow-up, review and reporting should collaborate with the BBP and the working group to develop a process for undertaking the monitoring responsibility, and
- The Bureau of Budget and Planning work with the working group to endorse and adopt the National Core Indicators and communicate with the implementing agencies and sectors for implementation. The BBP coordinate and collaborate with the working group and implementing government agencies to identify quality, accessible, timely and reliable disaggregated data needed for measuring progress towards implementation and to develop national core indicators and baseline data and set timeframes to report the progress towards implementation.

Chapter 1 - INTRODUCTION

AUDIT TOPIC

Audit topic is on Preparedness for the Implementation of Sustainable Development Goals.

WHY THE AUDIT WAS CONDUCTED?

On September 25, 2015, the UN member states adopted a resolution entitled “Transforming our World: the 2030 Agenda for Sustainable Development (United Nations, 2015).”

Palau as a member of the Pacific Association of Supreme Audit Institutions (PASAI) in their 2016 meeting in Pohnpei State, FSM, the Public Auditors and Auditor Generals elected to conduct a Cooperative Performance Audit on “Preparedness for the Implementation of Sustainable Development Goals (SDGs).

Additionally, PASAI is a member of the International Organization of Supreme Audit Institutions (INTOSAI). The United Nations has partnered with the INTOSAI at a global level to review and audit the Preparedness for the Implementation of the SDGs.

The 2030 Agenda for Sustainable Development noted that “Our Governments have the primary responsibility for follow-up and review, at the national, regional and global levels, in relation to the progress made in implementing the Goals and Targets over the coming fifteen years.” As part of this follow-up and review process, the UN has partnered with the INTOSAI to embed the role of SAIs (Audit offices) with regard to reviewing and monitoring the implementation of the 2030 Agenda. The partners have stressed the need and demand for effective public audit and scrutiny of the implementation of the SDGs and, in this context, audit offices play a key role in assisting national governments in their implementation processes.

As a fundamental part of this commitment, UN agencies have worked with INTOSAI’s development agency to plan and conduct a global audit on individual countries’ preparedness to implement the SDGs, thereby contributing to the value and benefits to the citizens. Therefore, this is truly a global effort with more than 100 individual Audit Offices participating in the audit of preparedness.

AUDIT OBJECTIVES AND AUDIT QUESTIONS

Objective 1 – To what extent has the government adopted the 2030 agenda into its national context?

- Is there a specific legal structure guiding and supporting the effective implementation of 2030 Agenda and sustainable development goals?
- If not, to what extent has the Palau Government clearly expressed the political commitment process to achieve the SDGs at National and international level?
- How are policy framework being planned and prepared to carry out progress towards 2030 Agenda and sustainable development?

- Is there a national policy coherence that clearly outlines sustainable development aligned with the 2030 Agenda that the National Government is committed to achieve and enhance the livelihood of citizens? The SDGs should be linked to, and supported by, and build on more detailed ministry/sector plans developed by ministries and sectors as well.
- What progress has been made in strengthening national institutional frameworks and coordination between ministries and sectors?
- What roles and responsibilities at National level to implement the SDGs are in place to raise awareness, national ownership, policy coherence, and integration of the three sustainable development dimensions (economic, society, environment)?
- Is Palau Government a member of PIFS? If yes, has Palau government considered and integrated PIFS indicators to National strategies, plans and/or policies?

Audit Objective 2 – Has the government identified and secured resources and capacities (means of implementation) needed to implement the 2030 Agenda?

- Has the government identified funding sources and capacities required for the ambitious means of implementation of country's prioritized SDGs aligned with global goals and targets?
- Are there any funds received by government ministries and sectors that support their programs and activities other than national budget law for the implementation of 2030 Agenda? Are the funds received appropriated by the Olbiil Era Kelulau (Palau National Congress) and deposited into the Bureau of National Treasury prior to disbursements?
- Have there been cooperation and partnership opportunities identified and grouped resources and capacities to achieve national priorities that are related to SDGs and 2030 Agenda?
- Has the Bureau of Budget and Planning communicated with the government agencies and sectors (SDGs goals implementers) regarding needed capacities and funding for the implementation and achieving national priorities in the 2030 Agenda?
- Has the responsible agency developed a process to secure required resources and capacities to achieve the national priorities related to the 2030 Agenda?
- Has the national government secured and mobilized resources needed to finance the implementation of the national priorities in the 2030 Agenda?

Audit Objective 3 – Has the Government established a mechanism to monitor, follow-up, review and report on progress towards the implementation of the 2030 Agenda?

- Has the government designated an agency responsible to monitor, follow-up, review and report on progress towards the implementation of the SDGs and 2030 Agenda?
- Has the responsible agency developed a process to monitor, follow-up, review and report on progress towards implementation?
- Has the responsible agency developed performance indicators and baseline data and set timeframes to monitor and report on the implementation to help with measurement of progress and to ensure that no one is left behind?
- Has the responsible government agency put in place processes to ensure quality, accessible, timely and reliable disaggregated data needed to help with the measurement of progress and ensuring that no one is left behind?

- Has government integrated participatory monitoring and evaluation into the SDGs process to ensure and collect complete, credible, relevant, accurate and timely data for all the implementation and ensuring transparency and accountability within the 2030 Agenda?

AUDIT SCOPE

- The audit scope for the performance audit on preparedness for implementation of Sustainable Development Goals and 2030 Agenda covered the period from January 01, 2016 through May 25, 2018. The audit centered on the Republic of Palau's National Government focusing on the Bureau of Budget and Planning, as the National SDG Focal Point, tasked to lead the coordination, collaboration and facilitation of activities to integrate SDGs into national planning processes for the implementation of the 2030 Agenda for sustainable development.

The government agencies and sectors were also assessed for their collaboration with the Bureau of Budget and Planning with respect to their existing activities or programs linkage to SDGs.

- The assessment was done to see how the Bureau of Budget and Planning, the lead agency, worked with other government agencies and sectors using the whole-of-government approach for the preparedness for the implementation of the SDGs.
- The Whole-of-government approach seeks to enable government agencies and sectors to achieve outcomes that cannot be achieved by working in isolation or working alone.
- The Whole-of-Government approach is an overarching term for a group of responses to the problem of increased fragmentation of the public sector and public services and the need to increase integration, coordination and capacity.

AUDIT CRITERIA AND SOURCES

- Audit criteria were developed to see how well the government of Palau is prepared for the implementation of the SDGs and 2030 Agenda in terms of the National Framework to guide the implementation, the capacity and funding to be used, and how well it monitors, follows-up, reviews and reports on the progress.
- The criteria were established from the Republic of Palau Public laws, National Development Plans, Executive Orders, Sector-Based Strategies, United Nations' 2030 Agenda for Sustainable Development, UN targets and indicators, and statistics.

AUDIT METHODOLOGY (Sources of Data, Data Gathering and Analysis)

- We conducted the performance audit in accordance with GAGAS as well as ISSAIs. Those standards required that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives.

- To accomplish our audit objectives, we reviewed Republic of Palau's Public Laws, National Development Plans, Executive Orders, Sector Based Strategic Plans, United Nations' 2030 Agenda for sustainable development, UN Targets and Indicators, Statistics, Desk Review and Conducted Interviews with the Bureau of Budget and Planning, the National SDG Focal Point, as well as the implementing government agencies and sectors, including the NGOs. We also sent survey questions to the implementing government agencies and sectors and reviewed the files at the Bureau of Budget, Planning and Statistics, including personnel action files and job descriptions.

STANDARDS USED FOR THE AUDIT

- We conducted this performance audit in accordance with *Generally Accepted Government Auditing Standards issued by the Comptroller General of the United States*. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Chapter 2 – OVERVIEW AND BACKGROUND

2030 AGENDA FOR SUSTAINABLE DEVELOPMENT OVERVIEW

In September 2015, the 193-member states of the General Assembly of the United Nations unanimously adopted the resolution “Transforming our world: the 2030 Agenda for Sustainable Development.” The new Agenda goals and targets came into effect on 1 January 2016 and will guide the decisions and directions that country’s leadership will make and take respectively over the next 15 years. The 2030 Agenda contains 17 aspirational goals, 169 targets and 230 indicators for achieving social, economic, and environmental sustainable development for implementation at national and international levels. These sustainable development goals aims, for example, to eradicate global poverty, achieve gender equality, foster economic growth, protect the environment, and build effective, accountable, and transparent institutions.



Figure 1

The 2030 Agenda recognizes that implementing the SDGs should respect national priorities and policies. The successful implementation of the SDGs will require a broad and inclusive participation from all levels of government, private sectors, civil society, and citizens.

The 2030 Agenda also recognizes that reviewing the progress in implementing the SDGs is important. At the global level, the UN will review the overall progress. At the National level, the Agenda inspires country’s governments to quantify results, monitor and report on its progress in achieving the national goals and targets.

The UN High-Level Political Forum (HLPF) on Sustainable Development is the main board for reviewing the 2030 Agenda at the global level. The annual sequence of themes reviews by HLPF is based on a subgroup of goals. Accordingly, the theme for 2018 forum “Transformation towards sustainable and resilient societies” will focus on five goals (goal 6, 7, 11, 12, 15), including goal 17. The sequence of themes and goals is presented at Table 1. The Palau Government will provide its first voluntary national review report on its progress at the forum in 2019.

Year	Theme	Goals
2017	Eradicating poverty and promoting prosperity in a changing world	1, 2, 3, 5, 9, 14
2018	Transformation towards sustainable and resilient societies	6, 7, 11, 12, 15
2019	Empowering people and ensuring inclusiveness and equality	4, 8, 10, 13, 16

17

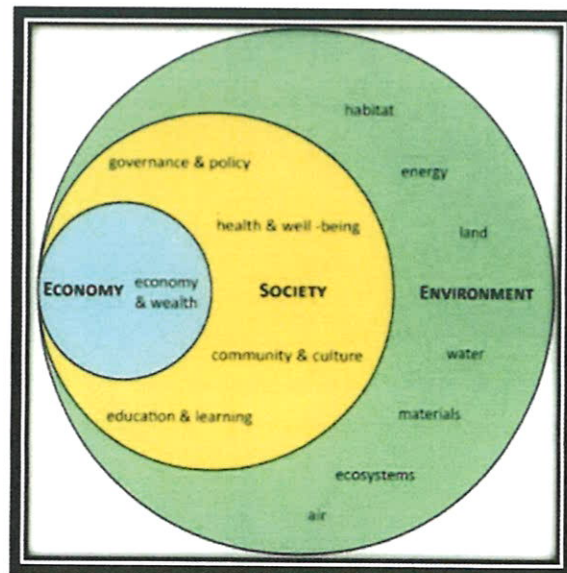
Table 1: Themes and Goals review at HLPF (2017-2019)

- Goal 1: No Poverty
- Goal 2: Zero Hunger
- Goal 3: Good Health and Well-being
- Goal 4: Quality Education
- Goal 5: Gender Equality
- Goal 6: Clean Water and Sanitation
- Goal 7: Affordable and Clean Energy
- Goal 8: Decent Work and Economic Growth
- Goal 9: Industry, Innovation and Infrastructure
- Goal 10: Reduced Inequality
- Goal 11: Sustainable Cities and Communities
- Goal 12: Responsible Consumption and Production
- Goal 13: Climate Action
- Goal 14: Life Below Water
- Goal 15: Life on Land
- Goal 16: Peace and Justice Strong Institutions
- Goal 17: Partnership to achieve the Goal

Source: United Nation

These sustainable development goals have various key characteristics that support the 17 SDGs. They are:

- Goals are Universal
- Sustainable Development Dimensions (Economy, Social, and Environment)



Source: Internet Search

Figure 2

- Sustainable Development Goals and Targets focus on people, planet, prosperity, peace and partnership



Figure 3

Source: UN Internet Site

- Goals are interconnected/interrelated (17 goals, 169 targets, and 230 indicators)
- Policy Coherence implies that a whole of government approach is adopted by:
 - (1) Map out critical policy interactions across the 17 SDGs and 169 Targets
 - (2) Prioritize Policy Coherence for SD areas based on critical interactions
 - (3) Review data availability and identify National-Level indicators for assessing interactions
- The 2030 Agenda inspires inclusiveness so that no one is left behind

BACKGROUND

Audit focus

In view of the Agenda resolution, the audit topic focused on whether the National Government of Palau as represented by BBP has identified and prepared a policy framework and data framework processes at national level for effective implementation of the 2030 Agenda for Sustainable Development and SDGs. The audit will primarily focus on these contexts as the BBP's initial progress on the subject matter was merely at national-level stakeholders.

To determine how prepared the National Government is in terms of policy framework and data framework, Palau SAI will utilize the info graphic of the International Organization of Supreme Audit Institution's seven-step model, Figure 4, as an influence model to assess the national government's preparedness for implementation of sustainable development goals.



Figure 4

Source: INTOSAI seven-step model in preparing the Implementation of the 2030 Agenda

National Government SDG Focal Point

The Palau National Government's SDG Focal Point is the Bureau of Budget and Planning (BBP) under the Ministry of Finance. By Executive Order, the normal roles and responsibilities of the Bureau of Budget and Planning are as follows:

- to formulate the ROP annual national budget in line with approved developmental plans including the compilation of relevant economic and socio-demographic statistics to support policy and planning analysis, and certify the availability of funds for expenditures.
- to serve the Executive Branch and, through the President, the other branches as well as states and agencies of the Republic.
- to deal with governmental agencies, including State Governments, on budgetary matters, as well as work with the private sector through the compilation of statistics and national planning efforts.
- to interact regularly with international and regional organizations on financial and technical issues relating to finance, statistics and planning.

On 7 March 2017, the Minister of Finance issued a memorandum to all cabinet ministers and made known that the 2030 Agenda for sustainable development and SDGs were adopted at the UN General Assembly by member states in September 2015. In the same communique, the Minister also designated the Bureau of Budget and Planning (BBP), Ministry of Finance, as the National Government SDG Focal Point tasked to lead the coordination and facilitation of activities with various stakeholders to integrate the SDG agenda into national planning processes.

The Executive Branch’s organizational structure (President’s cabinet) consists of the Vice President and eight (8) ministers, the Vice President serving as one of the ministers, with each minister responsible for the Ministry appointed by the President to head. Consequently, the national government’s sustainable development priorities are primarily the responsibility of the executive ministries and sectors to implement. These ministries and sectors have in the past carried out the implementation of the Millenium Development Goals and presently the 2030 Agenda for sustainable development and the SDGs.

Additionally, the national government’s existing policy framework on preparation for the implementation of the 2030 Agenda and SDGs are arranged by the legislative and executive branch at the national level based on Palau’s constitution, laws, executive orders, plans, policies, and etc.

Table 2 below represents a stocktake of existing RoP priorities and programs relevant to the 2030 Agenda and SDGs implementation. These national government priorities on sustainable development goals instituted through policies may link to the 2030 Agenda and SDGs that various national government agencies and sectors are involved in implementation as part of their activities and/or programs to improve the lives and livelihoods of all citizens in the Republic.

Table 2

Source: OPA Assessment

Some Existing National Government Priority Activities and/or Program Areas Linked to 2030 Agenda for Sustainable Development and SDGs	
SDGs ~ Activity or Program and Descriptive Accountability	Lead Ministry/Sector
#3 ~Good Health & well-being – Non-Communicable Disease -To develop a roadmap in the prevention of the disease and promote and protect the health of all people living in Palau	MOH
#4~Quality of Education –Educate the whole Child -To strengthen and enhance classroom instructions with a focus on enrichment and skill enforcement -To provide alternative education options to better meet the needs of students -To give every child the opportunity to attend Public Kindergarten -To strengthen Special Education Programs to better accommodate students with special needs	MOE
#6~Clean Water and Sanitation - Koror-Airai Water & Sanitation Project -To improve water and sewer services in Palau to promote better economy, health and environment of the republic	PPUC
#7~Affordable and Clean Energy – Palau Energy Act - To promote energy security by diversifying the supply of affordable electrical energy, including renewal and enhancing safety practices -To monitor, evaluate and report on performance, progress, and achievements of the energy sector -To become energy-secure and develop sustainable sources of clean, affordable energy	PPUC, PEA

Office of the Public Auditor

#9~Infrastructure – Belau Submarine Cable

PNCC; MOF

- To establish the Belau Submarine Cable Corporation as a state-owned public corporation that is authorized to procure, own and manage a fiber optic cable

#9~Infrastructure – International Airport Renovation and Expansion

MPIIC

-To construct a new airport terminal building and related facilities in accordance with completed design and engineering specifications

#10~Reduce Inequality– Persons with Disabilities

MCCA, MOE, MOH

-To address problems encountered by persons with disabilities
-To ensure all persons with disabilities in Palau live a free and inclusive lives to fulfill their full potential and to live as self-sufficient and contributing members of Palau communities and the well-being of the Republic.
-To bring all disability stakeholders together to protect and promote human rights and develop a barrier-free and inclusive society for all in Palau.

#13~Climate Change – Climate Change & Disaster Risk Management

MOF

- To enhance adaptation and resilience
- To manage disasters and minimize disaster risk
- To mitigate global climate change by working towards low emission development

#14~Life under Water – Palau National Marine Sanctuary

Office of the President

-To support the protection of Palau’s source of livelihood, identity, and culture: Our Ocean
-To ensure Palau will continue to be a productive member of regional organizations
-To use Palau’s growing tourism industry to fund such a grand design of declaring a Bul (moratoria) on Palau Ocean

#14~Sharks Sanctuary Act 2000

MNRET

-To establish a shark haven in Palau’s territorial water contiguous zone and exclusive economic zone
-To prohibit in those marine areas the catching, capture, or intentionally fishing for sharks and shark finning
-To address the global decline in shark declaring a Shark Sanctuary across Palau’s entire exclusive economic zone of 629,000 square kilometers
-To protect sharks and ecosystems they support
-To take a holistic and inter-generational approach that values future generations
-This act makes Palau the world’s first “Shark Sanctuary” banning all commercial shark fishing in its waters

#14 & 15~Life under Water and on Land – Protected Areas Network

MNRET

-To protect marine and terrestrial protected areas ensuring a long-term sustainable use of natural resources

The Palau National Government is a member of Pacific Islands Forum and its Secretariat (PIFS) and Small Islands Developing States (SIDS). The PIFS has a roadmap that builds on the strong leadership demonstrated by the Pacific in shaping the global agenda and reaffirms the need for national ownership backed by regional and international cooperation.

The Palau Government progresses to date on the preparation for implementation of sustainable development goals are as follows:

- The BBP has held two national meetings to obtain endorsement on the initial focus towards integrating SDGs into the budgetary process
- The BBP has identified SDG contact points from all ministries and semi-government agencies
- The BBP has developed & endorsed National Core SDG Indicators (draft) by:
 - (1) mapping national priorities against 2030 Agenda for sustainable development and SDGs
 - (2) matching national core indicators with Pacific regional indicators
- The BBP at audit reporting stage is still performing on-going analysis to identify baseline data availability for reporting of the SDG indicators. Thus, the process will slightly help BBP to (1) determine relevant and reportable priority indicators, (2) determine capacity strengths and limitations, (3) improve communication, direction, monitoring and evaluation and reporting. When the analysis is completed, the BBP will be in a better position to identify gaps or areas that will require more attention or new issues that need to be addressed. The analysis and reporting of SDG indicators will help the BBP develop and update appropriate plans and strategies to meet these challenges going forward.

Based on these progresses, the BBP, as Palau’s national government SDG Focal Point, has developed and endorsed a draft Palau National Core SDG Indicators thru (1) mapping national priorities against global priorities, and (2) matching National Core Indicators with Pacific regional indicators. Table 3 shows Palau’s Core Indicators (draft) where 128 are proposed indicators, of which, 95 are accepted (baseline data are available) and 33 are deferred (either baseline data are not available or on hold to be mapped later). This ensures that core indicators are based on sound data to support effective monitoring and reporting by implementing agencies. Additionally, the Palau-SAI prepared a summary assessment using the INTOSAI seven-step model on preparedness for implementation of the SDGs at national level and noted that the BBP hastily needs enhancement in the seven-steps as guidance to prepare the policy framework and data framework to effectively implement the 2030 Agenda for sustainable development and SDGs.¹

Table 3: Palau’s Core Indicators (draft)

Core Indicators	Proposed	Accepted	Deferred
Global SDG	128	95	33
MDGs (carried over)	11	11	0
Palau’s	1	1	0
TOTAL	140	107	33
Shared Pacific Indicators	71	56	15

Source: National Environment Coordinator, Ministry of Finance

Due to the slow SDGs preparation progress, the overall structure of how government entities interact with each other in terms of resources, implement, monitor, control and report will not focus on cross-cutting aspects of coordination and multi-stakeholder participation as the Government lacks policy integration strategy or action plan adapted to effectively implement the sustainable development goals as described in the 2030 Agenda.



Chapter 3 – Integration of the 2030 Agenda into the National Context

Summary of main findings of the chapter

The Palau Government as represented by Bureau of Budget and Planning (National SDG Focal Point) has not integrated the 2030 Agenda for sustainable development into national context. This is primarily because the government has not committed and executed through a political process of delegation from high-level leadership (congress/executive president) to designate the roles and responsibilities at national level for the implementation of SDGs. Therefore these essential roles and responsibilities are not clearly identified and defined and, at the same time, designate accountability for the effective implementation of sustainable development as described in the 2030 Agenda. Because the process lacks supportive commitment and recognized responsibility, the whole-of-government (WoG) approach is not in place to support the cross-cutting nature of the 2030 Agenda and related national sustainable development efforts. This WoG approach is needed to shift the focus of government performance towards results that government should seek to achieve rather than the operations of any single program or agency.

However, there are existing Government National Development Plans such as ‘Vision 2020’ developed in 1996 and Medium Term Development Strategy developed with medium-term 5 year focus (2009-2014) that have an influence on country’s sustainable development priority areas that are linked to the 2030 Agenda for sustainable development and the SDGs. These National SDGs Priorities are the responsibility of specific Ministries and Sectors at National Level to develop their plans, policy structures and course of actions to carry out their implementations.

As of the audit reporting, the 2020 Vision is the only comprehensive living document and long-term development plan existing to integrate RoP’s sustainable development dimensions. Nevertheless, this plan was prepared over twenty years ago and has limited guidance on priorities targets and indicators to ensure the effective implementation of sustainable development goals as described in the 2030 Agenda.

Additionally, the National Government lacks national policy framework as a means to build public awareness and various stakeholders’ engagement at national and other levels of governance on how to engage and communicate the 2030 Agenda for sustainable development and SDGs for effective implementation.

Moreover, though there are existing policy framework that provides guidance to Palau’s sustainable development as an integral part of the means of implementation toward economic growth, environmental protection, human well-being, and natural resources preservation, the government has not adapted and aligned the country’s current institutional mechanisms to the vision of the 2030 Agenda for sustainable development. And this is because the various overarching national policy frameworks are either yet to be developed, validated and updated to enhance policy coherence issues to the goals and vision of the 2030 Agenda.

Theme 1: Integration of the SDGs into National Planning Strategies, Policies and Processes

The Palau National Government has not adopted 2030 Agenda for sustainable development into national context. However, Palau is a member of Pacific Island Forum Secretariat (PIFS) that has already adopted the 2030 Agenda into the Pacific context. Though the National Government has not adopted the 2030 Agenda into national planning and policies, there is a plan prepared that uncovers the integration of sustainable development dimensions aligned to 2030 Agenda and SDGs. The plan is the "2020 Vision"-the Palau National Master Development Plan, which is the only living document and long-term plan existing to provide guidance for the country's sustainable development. The plan however was prepared sometimes in 1996 and has limited targets and indicators.

The Palau Government as represented by BBP as the National SDG Focal Point is still in the initial stage of preparation towards the implementation of the 2030 Agenda; thus, delaying the integration of the 2030 Agenda vision into the national context and, by extension, into innovative national development strategies, including agency and sector plans as described in the 2030 Agenda vision.

The relevant questions to consider in the integration of the SDGs into National Planning Strategies, Policies and Processes include:

- Is there a national plan or strategy for sustainable development? If so, is the national plan or strategy clearly aligned to the vision of the 2030 Agenda for sustainable development?
- Does the national plan or strategy for sustainable development cover areas of critical importance for humanity and the planet?
- Is Palau member of any international organizations that already have adopted the 2030 Agenda for sustainable development in their policy?

The relevant criteria reviewed during theme 1 for integration included:

- Palau National Master Development Plan (2020 Vision)
- Medium Term Strategic Plan (2009-2014)
- PIFS Membership
- PIFs Roadmap for Sustainable Development - Draft Implementation Strategy
- UN Transforming Our World: The 2030 Agenda for Sustainable Development
- Planning Survey Questionnaires, Interviews and Documentations provided by client for review

In September 2015, UN member states adopted a resolution entitled "Transforming Our World: the 2030 Agenda for Sustainable Development." Accordingly, a sustained policy or strategy brings about the integration of SDGs arrangement, which covers the five Ps' critical areas for humanity and the planet, essential guiding principles to support the effective implementation of the 2030 Agenda for sustainable development and SDGs.

The national initiative process exists in designating the Bureau of Budget and Planning as the National SDG Focal Point; however, the initiative does not clearly outline the BBP's roles and responsibilities in the implementation of SDGs. And therefore, the 2030 Agenda for sustainable development integration of policies and strategies into national context is still at the groundwork of localizing indicators by plotting global indicators with the national priority areas and whether such indicators are reportable.

Moreover, the national government sustainable development strategy as the only living document and long-term plan existing that integrates the SD dimensions was prepared sometimes back in 1996 and lacks sustainable development goals' targets and indicators. In addition, the BBP did not have accessible data and information on existing National Government sustainable development goals plans and strategies to measure effective implementation of the 2030 Agenda for sustainable development and SDGs. For that reason, the OPA did a mapping analysis of National SDGs and noted that there were National Government SDGs interlinked to PNMDP and MTDS, which were related to global goals and PIFs.²

The Palau National Government lacks a high-level political process (Congress or Executive President) to drive the adaptation of the 2030 Agenda into national context, including the designation of critical roles and responsibilities at National level essential for the effective implementation of the New Agenda and the SDGs. These roles and responsibilities are critical to designating the National SDG core group to:

- lead coordination, collaboration and networking,
- lead in localizing national goal's targets and indicators thru awareness-raising and participation, and
- lead in monitoring, reviewing and reporting on preparation towards effective implementation of the 2030 Agenda and SDGs.

Additionally, the national government's MTDS term has ended effectively terminating the continuation of the only exist living document and long-term national master development plan (2020 Vision) as a policy framework integrating the country's sustainable development dimensions. The plan was prepared way back in 1996 with a long-term focus; however, it provided limited guidance on priorities to reach the national government's long-term goals. It is essential that these national planning policies framework be reviewed, validated, and updated, and to integrate the vision of the 2030 Agenda as a way forward approach to ensure policy coherence for sustainable development.

As a result, there is no law and/or executive order mandating commitment and responsibility to implement the 2030 Agenda and recognition of national responsibilities in line with the principles of sustainable development in a national context. Consequently, the National Government lacks a governance framework delineating clear roles, responsibilities, and accountabilities that are spelled out and assigned to support the effective implementation of the 2030 Agenda for sustainable development.



Recommendation

The establishment of SDG national working group by the President of the Republic of Palau is one promising way of connecting the SDGs implementers at the national level to mobilize interests and commitments of all sectors and institutions to prioritize the goals, targets, and indicators that best respond to their specific activities needs and working together for effective implementation of the 2030 Agenda and SDGs. The BBP should collaborate with the working group and with the appropriate national ministry/sector to identify linkages and gaps of priorities to 2030 Agenda and provide assistance for effective implementation of the SDGs.

Furthermore, the 2020 Vision, the only existing and comprehensive national master development plan integrates Palau's SD dimensions and, thus, should be updated, validated, rationalized and consider integration of the 2030 Agenda vision into national context. Also, the National Government should bear in mind that the MTDS term has concluded and therefore the national government should take action to review, validate and update the MTDS to:

- assess where we are as a nation in terms of economic and social development and the state of our natural resources,
- ensure multi-year programs/projects are adequately funded given the governments' competing spending pressures and commitments for better implementation results and
- develop and bring up-to-date a clear and practical strategy for national development.

The BBP as the National Government SDG Focal Point should assess these national sustainable development strategies and test the relevance and practicality of the relevant policies, provide feedback in order to continuously improve the national policy framework toward the vision of the 2030 Agenda for sustainable development. The policy assessment should take into account the enhancement of policy coherence issues on analytical and institutional framework elements to integrate the needs and vision of the new agenda for SD into national planning context for effective implementation of the SDGs.

The benefit to implementing the above recommendations will promote the vision of the 2030 Agenda for sustainable development that points towards a more aspiring agenda that places emphasis on well-being, prosperity and sustainability in Palau for all the people of the generation and those to come.

Theme 2: Alignment of Budgets, Policies and Programs to the SDGs

The OPA noted that the national government's ministries and sectors' budgets and programs on SDGs are prepared and proceed through the national budget reform act of 2001 and executive branch's Management Action Plan. The outcome is a fiscal year budget policy process to ensure that moneys appropriated are supported by a comprehensive analysis of revenues availability to support the three branches of the national government, state governments, non-governmental organizations and other programs and activities of the national government. The Management Action Plan is the Executive Branch's plan that serves as a strategic roadmap for the operations and continued improvements of the ministries and agencies of the Executive Branch responsible for implementing national sustainable development objectives.

The funding sources for the budget that implements existing national SDGs priorities interconnected to the 2030 Agenda for sustainable development and the SDGs are from local revenues, United States Federal financial assistance, United States Compact of Free Association Funds, Palau Environmental Protection Fees (green fees), grants, aids and other financial assistance from diverse development partners to the Republic of Palau Government. The annual budget further adds a mandatory requirement upon the Minister of Finance to report on a monthly and quarterly basis the revenues and expenditures of all outside grants and development assistance received by the government of the Republic of Palau to the President and the national congress. Furthermore, in the annual budget act, it has become part of policy to provide appropriations (block grants) to fund operations of local (State) governments. Prospectively, during the audit, the OPA noted the Bureau of Budget and Planning is in the process to formulate a National Medium Term Budget Framework (MTBF) policy in consultation with Asian Development Bank. At the reporting phase of the audit, the policy was still in a draft form.

Following are the relevant questions of concern during the alignment of budgets, policies and programs.

- Is there a plan prepared to align budget, policies and programs to the SDGs?
- How are resources allocated?
- Is there a clear delegation of responsibility for the achievement of the goals?

The relevant criteria reviewed for the above questions were:

- Budget Reform Act of 2001 (RPPL No. 6-11)
- Palau Public Law Budget Acts for Fiscal Year 2016 to 2018
- Palau Executive Branch Management Action Plan (EO 381)
- Protected Area Network Fund
- Survey questionnaires and interview documentation

An alignment of budgets, policies and programs to SDGs is essential to synthesize consultative and collaborative efforts among the implementing agencies to support the Whole of Government approach, unison, ownership, prioritization of programs and expenditures, planned outputs, activities, and expenditure allocations in the annual work plan and to ensure that budget estimates are realistic and achievable.

The National Government's Budget for Fiscal Years 2016 to 2018 showed a line budget alignment for the national government's three branches, non-governmental organizations and other programs and activities. Additionally, within the same budgets the national congress appropriated funds to executive branch ministries that are responsible for program/project implementation that are linked to SDGs as reported at Table 2, Page 21 and 22. For example, the Ministry of Community and Cultural Affairs is appropriate funds to administer programs in support of reducing inequality and provide support to persons with disabilities. Further, the Protected Area Network Fund (PANF) levies fees on visitors departing Palau, which are collected and deposited into national treasury under a special account earmarked for environmental programs/projects. These funds are appropriated by national congress and

administered by the Protected Area Network Fund for environmental programs/projects. The PANF funds are also provided to State Governments, on application basis, to support State Protected Area Networks. Moreover, the national budget included specific appropriations to fund priority projects and programs requiring implementation.

The Palau Government has a budget reform act in place as a tool to accommodate funding requests that must align to the needs of the national government, state governments, and non-governmental organizations, activities and programs for effective implementation in their respective operations. These funding requests from various levels of governance are interconnected to the 2030 Agenda for sustainable development and the SDGs. However, the existing national fiscal policy processes may not be structured to accommodate future fiscal challenges, e.g., unforeseen economic downturn, or to provide a safety net in case of national emergencies (natural disaster).

As a result, the budget request submitted by the president is authorized and appropriated by congress as a primary instrument for the implementation of the government's policy and sets the direction and pace of economic growth and development at the national, state, and other levels of governance and private sector. However, without a medium term fiscal framework, the National Government possibly may not be prepared for future challenges like natural disasters, including those related to climate change that could weaken both internal and external fiscal positions.

Recommendation

Though the National Government has a budget policy set to drive National priorities, the BBP should pursue establishing a National Government Medium Term Fiscal Framework as an instrument to monitor the development of revenue and expenditure on a longer term basis and also to help manage fiscal challenges and risks stemming from unexpected decline in economic activity, grants, donations, and other funding sources and expenditures. In addition, the government should consider establishing an integrated budget framework that integrates sustainable development dimensions for effective implementation of the 2030 Agenda for sustainable development and as well as National priorities which may not be outlined in the agenda.

Theme 3: Policy Integration and Coordination

Horizontal Integration

The OPA found that the national government has strategies and plans setting the overall direction and priorities to express national SDGs efforts in a coherent way through a shared vision. These national SDGs priorities are interconnected and aligned to the 2030 Agenda for sustainable development and SDGs. However, these strategies and plans must be updated to support and sustain integrated approaches leading to effective implementation of the 2030 Agenda for sustainable development and SDGs at national level. Also, in place is the national

government's budget process that funds activities and programs, however, the budget process is limited in scope (one fiscal year, short-term), lacks strategic and long-term financial planning (e.g., multi-year budget) that takes into consideration projects that extend beyond a fiscal year or future economic conditions and policies that may impact revenues and expenditures. In addition, the government lacks a reporting system that links programs or projects expenditures funded by local revenues to similar projects or programs expenditures funded by grants and donors in order to track actual costs of programs or projects.

The relevant questions of concern for horizontal integrations were:

- Is BBP aligning national, ministries and sectors strategies to the SDGs and setting whole-of-government plans for implementation at the national and international levels?
- Have the roles and responsibilities been identified to set the whole-of-governments plans for implementation of strategies at the national and international levels?
- Is policy coherence for sustainable development recognized in national strategies as an integral part of the means of implementation?

The criteria reviewed for horizontal integrations were as follows:

- 2020 Vision-PMNDP
- MTDS (2009-2014)
- Budget Reform Act of 2001(RPPL No. 6-11)
- Documentations provided by the national SDG focal point on preparation for the implementation of the 2030 Agenda for sustainable development

Effective policy integration and coordination across government ministries and sectors is important to address necessary cross-cutting and interconnected nature of the SDGs in a balance manner that breaks down silos and creates horizontal policy coherence and integration for effective implementation of the 2030 Agenda for sustainable development and the SDGs.

The BBP as the National SDG Focal Point is still in the initial phase of preparation towards the implementation of the 2030 Agenda and SDGs. An on-going analysis performed by the BBP to determine baseline data availability for core national goals and indicators is a measure that the BBP is aiming on to progress effective strategies, plans and cohesive processes to address essential cross-cutting and interconnected nature of the SDGs. This analysis is critical in moving towards effective integration of the 2030 Agenda vision and SDGs into national context.

The BBP as a National SDG Focal Point may not be aware that progressing towards policy integration and coordination across the whole of government requires dedication by leadership, which filters down and requires understanding and commitment across the whole-of-government and sectors and co-dependence and interaction among these entities to achieve specific SDG targets and indicators. The BBP has not established a government policy on integration of SDGs to ensure that such policies promote proper integration, communicated with stakeholders, set in place, and to determine what policies across the spectrum are essential to address necessary cross-cutting and interrelated nature of the SDGs.

As a result, without policy integration and coordination, the stakeholders in government and sectors may work on incompatible assumptions, which make integration more difficult.

Recommendation

The Bureau of Budget and Planning, or the designated government entity, should establish an integration and coordination policy on sustainable development dimensions that set the overall direction and priorities to express SDG efforts in a coherent way at the national level thru a shared vision.

Vertical integration

The Bureau of Budget and Planning as a National Focal Point is still in the initial stage of SDGs localization at national level. The BBP's direction on national priorities was merely based on identifying indicator baseline data availability for reporting within ministries and sectors at national level. Hence, the BBP did not review or have information on development plans and strategies and related planning processes with which to support vertical integration that promotes policy coherence, integration and partnerships vertically across various levels of governance for effective implementation of the 2030 Agenda for sustainable development.

The relevant questions of concern for vertical coherence and integration across other levels of government to ensure that the implementation process reflects national, local and global considerations:

- Are there national government's policies for vertical coherence and integration across various levels of governance for national sustainable development implementation aligned to 2030 Agenda vision?
- Are national policies in place promoting active participation of multi-stakeholder involvement to implement national sustainable development aligned to the vision of the new agenda for sustainable development and SDGs?

Despite the lagging progress by the BBP, the OPA noted that the national government has policy coherence in place that fosters partnerships and coordination across various levels of government. Some of these relevant criteria reviewed promoting vertical integration at various levels of governance are as follows:

- Palau Responsible Tourism Policy Framework
- Palau Environmental Quality Protection Act
- Palau Protected Areas Network Strategy
- Palau Climate Change Policy

By promoting vertical coherence and integration across levels of governments, the effort can create clear institutional links between sustainable development strategies and supporting processes to foster partnerships and coordination across various levels of government.

There was no information provided by the National Focal Point about alignment of the country's vertical policy coherence that allows a greater integration of the three pillars of development (social, economic, and environmental). However, there are existing policies framework in place promoting policy coherence that support vertical coherence, integration and supporting processes for strategic planning for all government, private sector, non-government, and civil society organizations involved in the management and delivery of tourism and environmental objectives, for example.

The Palau Responsible Tourism Policy Framework has practically made known its institutional environment structure that fosters partnerships and coordination across levels of government.³ It was prepared to guide and manage tourism growth and harness the industry's ability to contribute broad and equitable social, economic, and environmental benefits. The policy statement on targets, goals, objectives and activities articulated in this framework and action plan are designed to promote and strengthen Palau's tourism industry to benefit all.

All laws and regulations in Palau make up the Palau National Code, which comprises, amongst other things, acts that ensure the protection of resources and environmentally sound development. The Palau Environmental Quality Protection Act (EQPA), Title 24 of the Palau National Code, is very wide-reaching and rigid in that it requires that, to the fullest extent possible, all other policies, regulations, and public laws be interpreted and administered in accordance with it. In addition, the EQPA contains acts on Wildlife Protection, Preservation and Protected areas. This Environmental Quality Protection Act is the most comprehensive environmental law in Palau, and is the core vehicle across which the government meets its responsibilities in relation to environmental objectives.

And therefore, in general, even though Palau's legislative mechanisms are supportive of protecting the environment and promoting sustainable resource management, further strengthening is required. Accepting that the EQPA was adopted during the Trust Territory Authority period and was largely adapted from the United States NEPA, it needs to be revised to better reflect Palau's political, administrative and socio-economic environment, and be updated to include risks that were not applicable or identified when the EQPA was approved.

The Palau Protected Area Network (PAN) legislation, regulation and strategy in place promote and integrate Palau's natural and cultural resources to ensure that the ecosystems of the full range of biodiversity are preserved in protected areas across the country. And that the unique natural beauty and precious resources for which Palau are internationally recognized will not be lost or destroyed. The PAN plan constructed has mechanisms for governance, capacity, community engagement, communication and sustained finances.

And last, but not least, the Palau Climate Change Policy in place creates clear institutional links to build climate resilience within ecosystems and society at the national, sector, and community levels, and within the private sector and civil society.



The BBP may not be aware that the role played by other levels of government in planning, implementing and monitoring the SDGs implementation can also contribute to enhancing the accountability and achievement of the 2030 Agenda for sustainable development and SDGs.

As a result, the Palau Government as represented by BBP is still in the initial stage of preparation for implementation of the 2030 Agenda for sustainable development and SDGs with its primarily focus at national level. Hence, the BBP preparation process on the 2030 Agenda's principle for vertical coherence and integration across all levels of governments may not be followed.

Recommendation

The National Government as represented by BBP should promote vertical coherence and integration of sustainable development strategies and supporting processes to other levels of government to enrich accountability and achievement of the vision of the 2030 Agenda for sustainable development and SDGs for effective implementation. By doing so, the BBP should develop a plan or templates that local governments and other partnerships engaged can use to integrate the SDGs to track and report progress in order to ensure accountability to citizens. Further, analyzing vertical integration and its effectiveness for advancing SDGs implementation action would involve assessing the outcomes of governments' efforts and activities to enhance vertical integration. Accordingly, the BBP should consider to examine approaches and tools that the national government have put in place to advance vertical integration at different stages of the policy cycle, highlighting innovative practices to identify both potential benefits and challenges of vertical integration for effective implementation of the 2030 Agenda vision and the SDGs.

Theme 4: Creating ownership and engaging stakeholders in integrating the SDGs into the national context

The national government as represented by the BBP is still in the initial stage of preparedness for implementation of Sustainable Development Goals. Currently, the BBP is still localizing the SDGs and, thus far, the 2030 Agenda for sustainable development and its core dialogue are mainly concentrated at the National level. Thus, the country's sustainable development is primarily the responsibility of the national government.

The national government has taken a slight step towards the 2030 Agenda awareness-raising at the national level by preparing introductory workshops with government ministries and agencies accountable for national development planning and national statistics. Though there is horizontal coordination occurring on the New Agenda, the BBP has not developed a communications strategy and engagement strategy for advocacy and SDGs awareness-raising and to encourage a participatory approach for the whole-of-government and citizens to:

- enhance their understanding about the existence of the 2030 Agenda and SDGs
- promote their sense of ownership of the Agenda, and
- encourage their participation in the achievement of the SDGs at various levels of government

Relevant questions of concern on how public awareness has been raised and whether the national government has encouraged the inclusive participation of different stakeholders in policy-making include:

- Is there a plan or policy prepared to raise public awareness for the 2030 Agenda and SDGs?
- How much public awareness-raising has occurred towards the participation process aimed to increase the engagement of whole of national government, citizens and local communities in order to promote their sense of ownership and their participation of the 2030 Agenda for sustainable development?

The audit criteria reviewed to Theme 4 questions were the audit survey questionnaires, interview, and documents provided by the BBP.

Building a communications and engagement strategy for advocacy and public awareness and engaging national, sub-national and local stakeholders in the 2030 Agenda for sustainable development and SDGs is a critical initial and on-going step towards successful ownership and participation in the SDGs implementation.

The national government as represented by the BBP is still in the initial stage of preparation for the implementation of 2030 Agenda. During the review of collected criteria, the SAI found that the National SDG Focal Point (NSFP) for awareness-raising, understanding and engagement on the 2030 Agenda and SDGs was merely thru the key players in the ministries and sectors whom are responsible for implementing the national priority goals at national level. The NSFP's focus on the awareness and understanding of the 2030 Agenda and SDGs did not expand the campaign to the public, governmental organizations and across all levels of government. Furthermore, the SAI also found that essential policy framework on communications strategy and engagement strategy has not been established to create ownership and engaging multi-stakeholder at different stages of mainstreaming and integrating the 2030 Agenda for sustainable development and SDGs into national context.

The BBP as a National SDG Focal Point may not understand the aim of the 2030 Agenda that a successful and effective implementation is thru a strategic policy-making process on: (1) awareness-raising; (2) building national consensus; (3) the SDGs go local; and (4) effective monitoring of indicators. The lack of policy occurred due to the absence of a unified leadership to establish a framework that clearly identifies and prescribes the roles and responsibilities for effective implementation of the Agenda and SDGs.

As a result, the BBP has no policy guidance in place, and given that SDGs are a global agenda, it is critical to support national audiences in linking the global agenda to local concerns; thus, helping to ensure sustainable public support for the effective implementation of the 2030 Agenda for sustainable development and SDGs into national context.

Recommendation

The executive president or his designee should establish recognition of national responsibility in line with the principles of sustainable development to integrate the 2030 Agenda into national context for effective implementation of SDGs. Hence, the SAI recommends:

- the national government needs to spearhead an SDG awareness-raising education campaign and encourage commitment and participation from the general public to sustainable development underpinning the message that the 2030 Agenda is a common responsibility,
- the national government needs to support efforts for social responsibility and sustainable development education, and
- the development of a communications and engagement strategy needs to be added to the national government implementation plans for the 2030 Agenda to support progress towards achieving the 2030 Agenda and SDGs and to actively inform the general public and encourage them to get involved.

Correspondingly, the BBP as the National SDG Focal Point can also seek approach that can be facilitated by UNCTs to help advocate setting a roadmap for the successful achievement of SDGs thru (1) awareness-raising; (2) building national consensus; (3) the SDGs go local; and (4) effective monitoring of indicators for effective implementation.

Theme 5: Inclusiveness and Leaving No One Behind

The focus of the 2030 Agenda on inclusiveness highlights the need to identify who is being left behind. And therefore in many parts of the world, persons with disabilities are among the poorest, most vulnerable and marginalized members of the society.

The audit found that the Minister of Ministry of Community and Cultural Affairs (MCCA) has developed a National Disability Inclusive Policy 2015-2020 (draft) thru wide consultation involving representatives from government agencies, communities, NGO's, churches and businesses. The goal of the Policy is to ensure that all persons with disabilities in Palau live free and inclusive lives to fulfil their full potential and to live as self-sufficient and contributing members of Palau communities and the well-being of the Republic. In addition, it provides a structure for addressing disability issues in Palau to develop a more equal and inclusive society to enhance recognition of the disability state and its requisite for a cohesive and comprehensive national development that realizes an "inclusive" society for all persons.

The relevant questions in reviewing policies and processes on inclusiveness and leaving no one behind are as follows:

- Who is potentially left behind?
- Is there a national policy prepared to focus the aim of the 2030 Agenda for inclusiveness and leaving no one behind?

The relevant criteria reviewed for theme 5 on inclusiveness and leaving no one behind are as follows:

- UN on Policy Imperatives for Leaving no One Behind
- RoP President's 2016-2018 Statement of Republic Address (SoRA)
- Palau National Disability Inclusive Policy 2015-2020 (draft)

In order to leave no one behind, it is essential that government has a universal approach to recognize that the dignity of the human person is fundamental and ensure that institutions are inclusive and can contribute to level the playing field and providing all citizens with opportunities to participate in public life on equal terms. And therefore, policy development to address exclusion and leave no one behind is important, and balanced on the promotion of the rights and capabilities of disadvantaged social group.

The BBP as a National SDG Focal Point is still in the initial stage of SDGs preparedness and so it has not identified and gathered processes on social policy framework on inclusiveness and leaving no one behind for effective implementation of the 2030 Agenda for sustainable development. However, during the audit fieldwork, SAI noted the draft National Disability Inclusive Policy has integrated Goals 3, 4, 5, 8, 10, 11 and 17 of the 2030 Agenda for sustainable development.



The objectives of the policy are to:

- (a) strengthen coordination and collaboration between government agencies, CSOs and other stakeholders ;
- (b) strengthen DPOs and NGOs to be self-reliant, sustainable;
- (c) improve society's view of persons with disabilities as equally valued members of their community empowered with opportunities and choices to a quality lifestyle free from barriers and discrimination in all aspects of life and human interactions;
- (d) improve early intervention services ;
- (e) expand teacher training on inclusive education to all teachers in the primary and secondary areas and related school service providers;
- (f) collaborate with employers for more equal opportunities for persons with disabilities;
- (g) implement inclusive recreation, sporting, arts, cultural programs and technical and vocational education and training programmes;
- (h) identify gaps and weaknesses for all stakeholders and strengthen their capacity to be inclusive and accessible to persons with disabilities;
- (i) raise public awareness through newspapers, media and public forums;
- (j) to comply with the Convention on the Rights of Persons with Disabilities (CRPD);
- (k) assist with the collection of baseline and periodic information on the status of disability in Palau; and

- (l) to help with effective monitoring and evaluation ensuring the policy is implemented and remains relevant to all people as well as responding to emerging issues.

This draft policy provides the framework to bring all disability stakeholders together to protect and promote human rights and develop a barrier-free and inclusive society for all in Palau.

Recommendation

Though this draft policy is formulated to model the concept of inclusiveness, and which is embedded to the three dimensions of sustainable development, the OPA recommends the Ministry of Community and Cultural Affairs to expedite the review and finalization of the policy for authoritative and effective implementation to address the needs and rights of persons with disabilities and to build a more equal and inclusive Palauan society.

Chapter 4 – Resources and capacities for implementing the 2030 Agenda

Summary main findings of the chapter

The Bureau of Budget and Planning is the lead agency for the implementation of the 2030 Agenda and SDGs and government agencies tasked to implement certain responsibilities have resources such as capacities and funding provided locally as well as funding from development partners to support the implementation of the 2030 Agenda and SDGs.

However, the Bureau of Budget and Planning needs to continue the process to revise and adopt the core indicators and to work with the implementing agencies in order to identify the resources gaps on capacity and funding. These gaps once identified should be transmitted first through the local budget process for funding as well as to development partners for supplemental financial assistance in order to secure and sustain the resources needed for the implementation of the 2030 Agenda and SDGs.

Theme 1: Identification of needs and of the required resources and capacities for the implementation of SDGs

According to the Bureau of Budget and Planning, the responsible agency to identify needed resources and capacities are those agencies tasked to carry out certain projects/programs in preparation towards the implementation of the 2030 Agenda and SDGs.

We sent a questionnaire to sixteen (16) contact persons representing the following implementing agencies: The purpose of the questionnaire was to obtain information about each implementing agencies SDG activities, funding, data collection, monitoring mechanisms, etc. and how these agencies coordinate and collaborate in preparation towards implementation of SDGs.

Ministry:

Ministry of Health, Ministry of Education, Ministry of Finance, Ministry of Justice, Ministry of Natural Resources, Environment and Tourism, Ministry of Public Infrastructures, Industries and Commerce, Ministry of Community and Cultural Affairs, and Ministry of State.

Government Agencies:

Energy Office or Renewable Energy, Palau Public Utilities Corporation, Marine Sanctuary, Bureau of Domestic Affairs, Bureau of Agriculture, Palau International Coral Reef Center, and Climate Change.

NGO:

Ebiil Society and Palau Conservation Society

Of the 16 contact persons, seven (7) represented each of the eight ministries, excluding the Ministry of Finance as the focal point), seven (7) represented government agencies and two (2) represented NGOs. In all, eleven (11) contact persons responded to the questionnaire and five (5) did not respond. The five (5) non-responses included the Palau Public Utilities Corporation, Ministry of Natural Resources, Environment and Tourism, Ministry of Public Infrastructure, Industries and Commerce, Ministry of Justice and Office of Climate Change, each of whom serve a critical role in the implementation of SDGs.

The above ministries, agencies and NGOs work individually and collectively to form a network of programs/projects in support of the implementation of SDGs and the 2030 Agenda. For those organizations that responded to the questionnaire, we were able gain a better understanding of their activities, funding, data collection, monitoring, etc. and how they are linked to their organizational Priority Activities and/or Program Areas (Table 2, pages 21 and 22) and further linked to the SDGs. These implementing agencies are tasked to implement certain responsibilities and are provided the resources, either by local funding or donor partners, to support their Priority Activities and/or Program Areas that are linked to SDGs.

For the Government Ministries and agencies that did not respond to the questionnaire, we were unable to assess their activities/programs to link them to their organizational Priority Activities and Program Areas (Table 2, pages 21 and 22) and to the SDGs. Further, without the response, we were unable to assess their preparedness with respect to funding and capacity, monitoring, data collection, and collaboration with other implementing agencies, especially with the BBP.

But the Bureau of Budget and Planning is still at the initial stage of leading the preparation towards implementation and has not conducted resources gap analysis to determine capacity and funding levels of implementing agencies. Relatedly, it is not aware of the availability of resources that support the activities of the implementing agencies, especially support from development partners. Further, we were not able to determine if these resources (funding) provided by development partners to the implementing agencies were earmarked by the grantor/donor partners specifically for SDGs due to the lack of monitoring and records by the Bureau of Budget and Planning. According to the implementing agencies, however, the funding was not granted or awarded directly for the implementation of the SDGs and 2030 Agenda.

According to BBP, the gaps for needed capacities and funding for the implementation of SDGs has not been identified but there is process in place. The Bureau of Budget and Planning is currently working with the agencies to produce the 1st report on SDGs implementation and, when this report is produced, the BBP will have the information to identify the gap of capacities and funding needed to support the implementation of the SDGs and 2030 Agenda.

The government agencies, including the NGOs, receive capacities and funding locally as well as from development partners needed for the implementation of their organizations goals and objectives, which are linked to SDGs.

The Bureau of Budget and Planning is the lead agency and, as such, should coordinate and collaborate with the implementing agencies to ensure that needed resources and capacities are available for the implementation of the SDGs and 2030 Agenda. In doing so, the BBP should communicate and work with the implementing agencies, sectors, NGOs, societies, community groups to identify resources and capacities provided by the national budget and/or development partners so that gaps of needed resources could be identified upon the production of the 1st report on SDGs implementation.

Due to the delay of the 1st SDGs implementation report and the revision and adoption of the core indicators into national context, lack of coordination and collaboration between the BBP and agencies tasked to implement certain responsibilities, these implementing agencies may not be aware of their tasks to identify needed resources such as capacities and funding.

This is due to the fact that an Executive Order, or a directive of similar authority, has not been issued naming the Bureau of Budget and Planning as a focal point with clear roles and responsibilities, including the establishment of a Working Group composed of representatives from implementing agencies and sectors to identify needed funding and capacities. In addition, Personnel Actions and Job Descriptions for the Director and staffs at the BBP currently do not prescribe any specific roles and responsibilities or related tasks in connection with the implementation of SDGs and 2030 Agenda.

Recommendation

We recommend that the President establish and issue an Executive Order designating a focal point for the implementation of the SDGs and the 2030 Agenda with clear roles and responsibilities, including the establishment of a working group. The working group should coordinate and collaborate with the implementing government agencies and sectors, including NGOs, to identify resources gaps (capacity and funding) so that efforts can be directed to secure resources, either locally or through development partners, to sustain the implementation of the SDGs and 2030 Agenda.

In addition, the Focal Point agency designated by the President to lead the implementation of the SDGs and the 2030 Agenda should be adequately staffed and equipped to carry out its main function- that of implementing the SDGs and the 2030 Agenda.

Furthermore, the focal point agency should coordinate and collaborate with the implementing agencies to identify available capacities and funding so that when core indicators are revised and adopted then the gap of needed capacities and funding would be easily identified and rectified.

With an Executive Order designating a Focal Point agency and providing it with clear roles and responsibilities, and through cooperation, coordination and collaboration with the working group in identifying grouped resources and capacities, will lead to a more effective and efficient implementation.

With the identification of needed capacities and funding, performance could be measured against the national budget and towards the National Core Indicators.

Theme 2: Mobilizing Partnership

We found that government agencies tasked to implement certain responsibilities on SDGs and 2030 Agenda are responsible to identify cooperation and partnership opportunities for obtaining needed resources and capacities to achieve the national priorities for SDGs and 2030 Agenda.

The BBP is communicating with the implementing agencies but it needs to know the status of the agencies in terms of capacities and funding in conjunction with the national core indicators in order to produce an accurate and informative 1st report on SDGs implementation. After the 1st national report is produced, then needed capacity and funding will be identified, including necessary cooperation and partnership opportunities for securing needed resources.

We further found that the 1st SDGs national report was not produced and based on the survey we conducted, some of the agencies tasked to implement the SDGs were aware of the targets and indicators and worked with the BBP on these targets and indicators but others, including NGOs, were not aware of the targets and indicators and did not collaborate with the BBP on identifying the national targets and indicators. These agencies performances are aimed at achieving their organizational goals and objectives and are linked to the implementation of the SDGs and therefore their involvement in identifying national indicators are critical.

The BBP should communicate with the government agencies tasked to implement certain responsibilities to identify cooperation and partnership opportunities for obtaining needed resources such as capacities and funding to achieve the national priorities in the 2030 Agenda. Tactically, the BBP should establish partnerships with government agencies and sectors, including NGOs, and together mobilize and share capacities and funding for implementation using the whole-of-government approach.

The BBP as the focal point for the implementation of SDGs is still at the early stage of leading the implementation but was not timely assigned the lead responsibility from the start to enable the BBP to map out its strategy such as identifying cooperation and partnership opportunities, among other matters, for obtaining capacities and funding to achieve the national priorities in the SDGs implementation. Thus, there has not been a clear assignment of responsibilities to identify potential cooperation and partnership opportunities among the implementing government agencies, sectors and NGO's. This is partly because there was no timeframe to produce the 1st national SDGs implementation report on core indicators and therefore the process lacked the urgency to push the implementing agencies to submit their reports to the BBP.

Since the production of the 1st national core indicators report has been delayed and the core indicators have not been revised and adopted into the national context, the BBP and implementing agencies and NGOs could not identify any cooperation and partnership opportunities to mobilize capacities and funding needed for the implementation of the SDGs and 2030 Agenda using the whole-of-government approach.

As a result, due to lack of coordination and cooperation, resources such as capacities and funding that are available for SDGs activities are not mobilized and shared to an optimum among the government agencies and sectors, including NGOs, for the implementation of SDGs and 2030 Agenda.

Recommendation

We recommend that a working group be established comprised of representatives from each implementing agency, sector and NGO who have certain responsibilities in connection with the implementation of the SDGs and the 2030 Agenda. Members of the working group should have working knowledge on the areas of goals, targets and indicators relating to their organization with which to work with the BBP to identify cooperation and partnership opportunities. In doing so, this effort should go further to identify resources and enable the BBP to work together with the implementing entities to harness, share and mobilize funding and capacities for efficient and effective implementation of the SDGs and the 2030 Agenda using the whole-of-government approach.

Furthermore, if efforts of the working group (e.g., identifying resources) is interdependent on the production of the 1st national SDGs implementation report, then BBP should collaborate and coordinate with the implementing agencies to set a timeframe for the production of the 1st report.

Theme 3: Managing Risk

The BBP as the focal point for the implementation of SDGs and 2030 Agenda has not established an innovative method to identify risk and risk mitigating strategies in securing resources and capacities needed for the implementation of the SDGs and 2030 Agenda.

According to BBP, one of the risk mitigating strategies is to select relevant SDGs indicators that need to be better linked to the national budget so that ROP can ensure all needed capacities and resources to implement and report on these indicators are provided, reducing dependency on uncertain outside support. Also, another risk mitigation measure is taking the initial step towards the development of an Executive Order to implement and monitor the SDGs implementation effort.

An innovative method to identify risks and risks mitigation strategies to secure resources and capacities is to first identify the subset of global SDGs indicators that will become the National Core SDGs Indicators. The approach is innovative because it takes into consideration the varying multi-level and multi-sectoral priorities and obligations at national and international level, with the existing limited resources expected to fulfill all of them. This approach makes request for funding more convincing as goals and targets are presented at the national and global level and multisector levels.

But before requesting any assistance, Palau needs to first understand what it has in consideration of the current national priorities, national core targets and indicators, available data, etc.; so that the BBP can accurately articulate the needs to the appropriate partners.

But the BBP is still working on the core indicators and the indicators have not been revised and adopted into the national context; therefore, the risk and risk mitigating strategies cannot be identified in securing resources and capacities needed for implementation at the time of the audit.

The BBP should expedite the effort to revise and adopt the national core indicators to support the effort to establish innovative methods to identify risk and risk mitigating strategies in securing resources and capacities needed for the implementation of the SDGs and 2030 Agenda.

As a result, innovative methods to identify risk and risk mitigating strategies in securing resources and capacities needed for the implementation of the SDGs and 2030 Agenda are not in place pending the completion of the revision and adoption of national core indicators linked to the national budget.

Recommendation

We recommend the BBP coordinate and collaborate with working group and implementing agencies to expedite the revision and adoption of national core indicators and targets. Thereafter, the BBP should work with the working group and implementing agencies to develop innovative methods for identifying risks and risks mitigation strategies in securing and sustaining capacities and funding for the implementation of SDGs.

Chapter 5 – Monitoring, follow-up, review and reporting on progress towards implementation of the 2030 Agenda

Summary of main findings of the chapter

The process of monitoring, follow-up, review and reporting on progress towards the implementation of the 2030 Agenda has not yet started. The national government during the period covered by the audit did not designate an agency to be responsible for monitoring, follow-up, review and reporting on progress towards implementation of the 2030 Agenda. Without a designated agency, the processes and procedures for monitoring, follow-up, review and reporting have not been developed to ensure quality, accessible, timely and reliable disaggregated data to measure progress, and through a participatory process that enables stakeholders' engagement. In addition, the process still lacks performance indicators and baseline data, including timeframes, for monitoring and reporting on the progress of implementation.

Theme 1: Responsibilities, mechanism and process for monitoring, follow-up, review and reporting

During the period of the audit we found that the national government did not designate a government agency or a separate entity with clear roles and responsibilities for monitoring, follow-up, review and reporting on progress towards implementation of SDGs. In addition, the essential processes and procedures for monitoring and reporting have not been developed to ensure, among other things, that quality, timely, accessible and reliable disaggregated data are available to carry out monitoring and reporting responsibilities.

Based on the response from the BBP, a working group comprised of various implementing partners is the proper body to coordinate, cooperate and collaborate in formulating essential policies and procedures and other preliminary operating guidelines critical towards preparation for the implementation of the SDGs and the 2030 Agenda. However, according to the BBP, the working group has not been established and therefore the requisite guidelines have not been developed.

Because the national government has not designated a government agency or a separate entity with clear roles and responsibilities to monitor, follow-up, review and report on progress towards implementation of SDGs, the responsibility for developing processes and procedures for carrying out monitoring and reporting responsibilities is not clear and straightforward.

It is a critical part of the SDG preparation process that the responsibility for monitoring and reporting be clearly designated and defined. The designation should include clear roles and responsibilities, including the necessary authority to carry out the task.

Recommendation

We recommend that the Bureau of Budget and Planning work with the Office of the President to issue an Executive Order designating a government agency or a separate entity with the responsibility to monitor, follow-up, review and report on progress towards implementation of SDGs. The executive order should clearly define the roles and responsibilities of the agency, including the necessary authority to carry out its mandate. This is critical in order for the agency to provide to the leadership, stakeholders and the public the progress of efforts in the implementation of SDGs.

In addition, a Working Group comprised of representatives of implementing agencies should be established through the Executive Order to facilitate the networking, coordination and collaboration amongst the implementing agencies and the Bureau Budget and Planning in preparation towards implementation of SDGs. The agency designated the responsibility to monitor, follow-up, review and report on progress should work with the BBP and the working group to develop processes and procedures for carrying out this function.

Theme 2: Performance Indicators and Data

The Bureau of Budget and Planning has not put in place a process to identify and ensure quality, accessible, timely and reliable disaggregated data needed to facilitate measurement of implementation as well as performance indicators and baseline data, including the timeframe, for monitoring and reporting on the progress of implementation.

A process to develop the 1st National SDG Report has been established via the standard report templates for each of the 17 SDGs and their associated targets and selected indicators sourced from the Core Indicators List. Although key stakeholders had been contacted and the deadline for the 1st report had been set, the completion of the report has been delayed. We noted that some of the stakeholders have been more active than others, owing to the delay in the first attempt to report the progress of the National SDGs core indicators.

We also found that there are performance indicators that can be measured such as the National SDGs core indicators; however, there are no timeframes and baseline data available for monitoring and reporting on implementation, for example, measuring the progress on the issue that “no one is left behind.”

The BBP should put in place a process to identify and ensure quality, accessible, timely and reliable disaggregated data needed to facilitate measurement of progress and to develop performance indicators and baseline data and set timeframes for monitoring and reporting on the progress of implementation of the SDGs and the 2030 Agenda.

The lack of process is due to the BBP still at the initial stage of leading the SDGs implementation and lacking sufficient resources to work with the implementing agencies and sectors to, among other processes, identify and ensure quality, accessible, timely and reliable

disaggregated data needed to facilitate the measurement of progress and to develop core performance indicators and baseline data and set timeframes to monitor and report on the progress towards implementation of SDGs and the 2030 Agenda.

As a result, progress towards the implementation of the SDGs and 2030 Agenda cannot be effectively measured and monitored without a mechanism in place to ensure quality, accessible, timely and reliable disaggregated data including core performance indicators, baseline data and set timeframes.

Recommendation

We recommend that the Bureau of Budget and Planning work with the implementing agencies to expedite the process towards endorsing and adopting the National core indicators and communicate with these agencies and sectors for their implementation. At the same time, the BBP should coordinate and collaborate with the implementing agencies and sectors to identify quality, accessible, timely and reliable disaggregated data needed to facilitate the measurement of progress and to develop core performance indicators and baseline data and set timeframes to report the progress towards implementation of SDGs and the 2030 Agenda.

It should be emphasized here that the Bureau of Budget and Planning should be adequately staffed and resourced to carry out its role as the Focal Point agency for the implementation of the SDGs and the 2030 Agenda.

Theme 3: Communication to Stakeholders

The Bureau of Budget and Planning as the national SDGs focal point has not develop a communications and engagement strategy to ensure that stakeholders and the public are properly engaged, informed and participate in the ongoing efforts in preparation towards implementation of SDGs.

There is lack of awareness and attention to SDGs in the government, stakeholders and among the citizens, communities and society in Palau due to lack of awareness-raising activities to inform the public of the SDGs initiative.

As part of the communications and engagement strategy, the BBP should develop and spearhead an SDG education campaign to inform the citizens, communities and other members of society of the SDG initiative to encourage awareness and participation. In addition, The BBP needs to develop a plan to build public awareness and encourage ongoing dialogue with stakeholders including relevant non-governmental stakeholders to enhance ownership and participation for the achievement of the SDGs.

The lack of a communication and engagement strategy is due to the BBP still at the initial stage of leading the SDGs implementation, and the lack of coordination, cooperation and collaboration among the implementing partners to work together to develop a communications and engagement strategy.

Recommendation

We recommend the BBP and the working group collaborate to develop a communications and engagement strategy to inform and engage stakeholders on the SDG initiative. The strategy should be designed to raise awareness and encourage participation by citizens, communities and society to build ownership in the SDGs. The BBP should coordinate and collaborate with the working group and implementing agencies to develop a communications and engagement strategy and work together to rollout the strategy.

Chapter 6 – Bureau of Budget and Planning’s (BBP) comments to the findings, conclusion and recommendations.

Summary of the audit based on the three main audit objectives: a) Framework; b) Resources & Capacity; and c) Monitoring	
Main Findings	BBP’s Response
<p><i>Palau has not established an over-arching policy framework for the implementation of the 2030 Agenda for SD into a national context with respect to the 2030 Agenda awareness and integration of the Agenda and SDGs into National processes;</i></p> <p><i>However, there are existing policy framework arrangement prepared for implementation of country SDGs interconnected to the 2030 Agenda for SD and SDGs imbedded into national context, to some extent.</i></p>	<p><i>Correct for the period of the audit.</i></p> <p><i>However, in Dec 2018, a Presidential Executive Order No. 419 was endorsed which lays out the mandate to develop this framework (see attached EO No. 419).</i></p> <p><i>Correct. These existing sector-based and broad-based existing policy frameworks were used to guide the development of Palau’s first national SDG report, which was also our Voluntary National Review (VNR) that was submitted to the UN in June 2019; and presented at the UNGA in July 2019 (see attached VNR)</i></p>
<p><i>Palau provides resources and capacities to support activities that are linked to the implementation of the SDGs and 2030 Agenda.</i></p>	<p><i>Palau has always provided such support, including the period of this audit. However, implementation was not always acknowledging or identifying linkages with the SDGs. The selection of the national core SDG indicators initiated this linking effort, which culminated in the completed VNR. While much progress has been made, more effort (as well as time and resources) are needed to further this work.</i></p>
<p><i>Palau has not established a mechanism to monitor, follow-up, review, and report on the implementation of SDGs.</i></p>	<p><i>Correct for the duration of the audit.</i></p> <p><i>However, since January 2019, 8 SDG working groups have been established and they led the provision of data and information that went into the development of the VNR.</i></p>

Office of the Public Auditor’s (OPA) Comments:

The Bureau of Budget and Planning did not provide a detailed response that corresponds to the detailed findings and recommendations in the Draft report but instead provided a summary response per above. Accordingly, the OPA is unable to discern from the response specific course of action(s) the BBP plans to take to remedy each finding or implement each recommendation.

A follow up to Preparedness for Implementation of the 2030 Agenda and SDGs is the actual implementation phase, which, needless to say, the BBP should have the proper framework in place to move forward with the implementation. The framework, which should be structured and implemented during the preparation phase, is critical towards ensuring a robust, effective and efficient implementation of the 2030 Agenda and SDGs.

Chapter 7 – Conclusion

Although the Bureau of Budget and Planning is making notable progress as the National SDG Focal Point in leading the Republic of Palau's efforts in the preparation towards implementation of SDGs and the 2030 Agenda, the designation of the BBP as the focal point agency lacked robust authority and with clear roles and responsibilities. Further, the designation was late in the making and the BBP was not adequately staffed and resourced to carry out this novel undertaking. Thus, the BBP was ineffectively organized and prepared to carry out the preparation towards implementation of the SDGs and the 2030 Agenda. Without high-level political process commitment and clear and recognized roles and responsibilities to effectively prepare for the implementation of SDGs and the 2030 Agenda, the BBP under the Ministry of Finance is operationally challenged to fully integrate the SDGs into national context. Additionally, the national government's policies such as the (1) 2020 Master Development Plan, (2) Medium-Term Development Strategy, and (3) sector-based policies and/or strategies were developed prior to the vision and principles of the 2030 Agenda for sustainable development and, as such, these policies were not formulated in the context of the 2030 Agenda. However, these existing policies' visions and principles do carry out practiced developments of sustainable development dimensions that are aligned to the visions and principles of the 2030 Agenda. Finally, the 2020 Master Development Plan as a long-term and only living document integrating sustainable development dimensions was developed way back in 1996 and, consequently, the plan has limited priority targets and indicators.

According to the BBP, the implementing agencies tasked to implement certain responsibilities are responsible to identify needed resources such as funding and capacities as well as identifying cooperation and partnership opportunities to mobilize resources and capacities for implementation. In order to manage risk, however, the Bureau of Budget and Planning is working with the implementing agencies on revising and adopting the core indicators and linking them to the national budget to ensure that needed capacities and funding are provided and therewith reduce dependency on outside sources.

Although these implementing agencies receive local funding and capacities that support their organizational goals and objectives that are linked to the SDGs and the 2030 Agenda, the BBP needs to identify the resources gaps for capacities and funding to ensure that resources are secured and sustained.

The BBP is still at the initial stage of leading the implementation of the SDGs and has not identified resources gaps such as funding and capacities needed for the implementation of National priorities in 2030 Agenda.

The government during the audit period, January 1, 2016-May 25, 2018, did not designate an agency or a separate entity with clear roles and responsibilities to monitor, follow-up, review and report on progress towards the implementation of SDGS. Since monitoring has yet to start, a process has not been developed and put in place to identify and ensure quality, accessible, timely and reliable disaggregated data needed to facilitate the measurement of progress.

In addition, there are no performance core indicators, baseline data and relevant timeframes to monitor and report on the progress of implementation of SDGs. In addition, the process and related procedures for monitoring and reporting have not been developed to ensure communication with stakeholders to facilitate a participatory process that enables stakeholders' engagement.

The problem is that the Director of the BBP is overloaded with multiple responsibilities and the added layer of leading the SDG implementation requires constant attention, considering the varied levels of commitment and effort required to plan, communicate, initiate, coordinate and collaborate with other implementing agencies in the preparation for the implementation of SDGs. In addition to discharging its normal responsibilities overseeing recurring budget matters and other related responsibilities, the BBP now has to lead the implementation of SDGs. These multi-layered responsibilities, without adequate resources, can adversely impact the ability of the BBP to effectively deliver on its mandate to lead the implementation of SDGs. In addition, without a robust and clear roles and responsibilities, the BBP as the focal point and lead agency would be presumed to be responsible for all aspects of the SDG initiative.

Chapter 8 – Recommendations

Integration of the 2030 Agenda into national context

To integrate the 2030 Agenda into national processes (policies framework), the OPA recommends the BBP (National SDG Focal Point) should consider to:

1. Establish political commitment by validating, updating and translating national strategies or policies for sustainable development expressing that Palau is moving forward to adopt the 2030 Agenda for sustainable development and recognize and establish clear national roles and responsibilities in line with the principles of SD that will guide the implementation and achievement of SDGs at the national level and other levels of governance;
2. Establish a budget process in the form of MTFF as an instrument to allocate appropriate financial means and other resources to help manage future fiscal challenges and as well as to stabilize the economy and strengthen country's ability to cope with shocks.
3. Develop a plan setting out the roles of different stakeholders and defining how the various goals and targets are to be achieved in an integrated and coherent manner;
4. Develop a plan to build public awareness and encouraging dialogue with stakeholders including relevant non-governmental stakeholders to enhance ownership and participation for the achievement of the SDGs; and
5. The Draft National Disability Policy being a model for the concept of inclusiveness that embeds the three dimensions of sustainable development should be reviewed and finalized by the Minister of MCCA for successful and effective implementation to address the needs and rights of persons with disabilities and to build a more equal and inclusive Palauan society.

Resources and capacities for implementing the 2030 Agenda

Identification of needs and of the required resources and capacities for the implementation of SDGs

1. The Bureau of Budget and Planning coordinate and collaborate with the Working Group to, among other concerns, identify resources gaps such as capacities and funding provided by the national budget as well as development partners so that gaps of needed resources could be identified and secured upon the revision and adoption of the national core indicators.
2. An Executive Order be established and issued designating a government agency with clear roles and responsibilities as the focal point and to lead the implementation of SDGs and 2030 Agenda. If the BBP is the designated focal point, then the BBP should request from the Office of the President additional resources such as more staff and other capacities to adequately equip the BBP to carry out the task of leading the implementation of SDGs and the 2030 Agenda.

Mobilizing Partnership

We recommend that the BBP work with the Office of the President to create a working group to include representatives of implementing agencies in government, sectors, NGOs and other implementing partners. The representatives should have working knowledge on the areas of goals, targets and indicators pertaining to their organization, to collectively steer cooperation, collaboration and coordination amongst the implementing partners in mobilizing the partnership to share funding and other capacities and to work with the lead agency (Bureau of Budget and Planning) in moving forward a more robust, effective and efficient process of carrying out the implementation of SDGs and the 2030 Agenda.

Managing the risk

1. Same as 2 above.
2. The lead agency (BBP) coordinates and collaborates with the working group and implementing agencies along with relevant stakeholders to revise and adopt the national core indicators, identify needed data and statistics for monitoring performance against core indicators and identify needed capacities and funding for the implementation of national core indicators, further linked to the national budget.
3. The BBP coordinates and collaborates with the implementing agencies, sectors and NGOs along with their stakeholders to establish innovative methods to identify risks and risks mitigating strategies in securing resources and capacities needed for the implementation of the SDGs and 2030 Agenda.

Monitoring, follow-up, review and reporting on progress towards implementation of 2030 Agenda.

Responsibilities, mechanism and process for monitoring, follow-up, review and reporting

1. The BBP work with the Office of the President to designate an agency to be responsible for monitoring, follow-up, review and reporting on progress towards implementation of SDGs and the 2030 Agenda.
2. The agency to be responsible for monitoring, follow-up, review and reporting on progress towards implementation should work with the BBP and the working group to develop processes and procedures for monitoring, follow-up, review and reporting on progress towards implementation.
3. Same as Mobilizing Partnership

Performance Indicators and Data

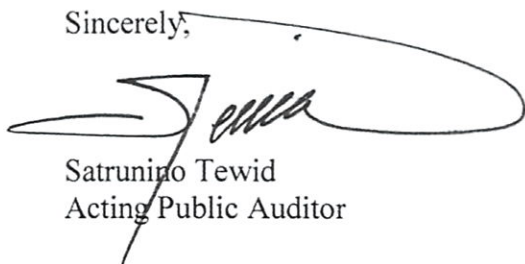
We recommend that the Bureau of Budget and Planning work with the working group and implementing agencies to expedite endorsement and adoption of the National Core Indicators and thereafter implement the National Core Indicators. The BBP coordinates and collaborates with the implementing government agencies and sectors including NGOs to identify and ensure quality, accessible, timely and reliable disaggregated data needed to facilitate measurement of the implementation of SDGs as well as performance indicators and baseline data, including relevant timeframes, for monitoring and reporting on the progress of implementation.

Communication to Stakeholders

1. The Bureau of Budget and Planning work with the working group and implementing agencies to develop a communications and engagement strategy to ensure that citizens, communities and other stakeholders are properly informed, engaged and participate in the ongoing efforts in the implementation of SDGs.
2. As part of the communications and engagement strategy, the BBP should spearhead an SDG education campaign to inform the citizens, communities and other members of society of the SDG initiative to encourage awareness and participation.
3. The BBP and working group should develop a plan to build public awareness and encouraging dialogue with stakeholders including relevant non-governmental stakeholders to enhance ownership and participation for the achievement of the SDGs.

The Office of the Public Auditor would like to thank the staff and management of the Bureau of Budget and Planning, Ministry of Finance, and the other SDG-affiliated agencies for their cooperation and professional courtesy extended to us during the audit.

Sincerely,



Satrunino Tewid
Acting Public Auditor

REFERENCES

- INTOSAI Seven Steps Model
- Palau Budget Reform Act 2001 (RPPL No. 6-11)
- Palau Constitution
- Palau Draft National Disability Inclusive Policy 2015-2020
- Palau Environmental Quality Protection Act
- Palau Executive Branch Management Action Plan (EO 381)
- Palau Medium Term Strategy (2009-2014)
- Palau National Master Development Plan (2020 Vision)
- Palau Public Law on Budget Act for Fiscal Years 2016-2018
- Palau Responsible Tourism Policy Framework
- Palau Various Public Laws for National Priorities link to New Agenda for sustainable development and SDGs
- UN and INTOSAI Development Initiative on Auditing Preparedness for Implementation of sustainable Development Goals
- UN Transforming Our World: The 2030 Agenda for Sustainable Development
- UN on Horizontal Integration
- UN on Vertical Integration
- UN on Policy Imperatives for Leaving No One Behind

Summary assessment of Palau’s preparedness to implement the 2030 Agenda for Sustainable Development

Universal Approach to Audit Preparedness to Implement Sustainable Development Goals (SDGs)

Audit Criteria Used

Palau Government’s Preparedness

1. Commitment and Responsibility

Commitment and responsibility to implement the 2030 Agenda and recognition of national responsibility for sustainable development

There is no high-level leadership commitment for effective implementation of the 2030 Agenda for sustainable development.
There is a slim recognition of national government commitment and responsibility for taking steps to recognize national responsibility for sustainable development as described in the 2030 Agenda.

- Limited recognition of government responsibility for effective implementation of sustainable development as described in the 2030 Agenda
- Government lacks high-level leadership commitment for effective implementation of the 2030 Agenda for sustainable development
- Narrow and limited understanding of preparedness for effective implementation of SDGs

2. Establishing Governance

Establishing a governance structure where clear roles, responsibilities and accountabilities are determined

There is no whole-of-government governance model for the effective implementation of the sustainable development goals.
Lead Bureau under the Ministry of Finance as the National SDG Focal Point is still in the initial stage in localizing the SDGs at national level by identifying

- No national governance structure in place that identifies and designates clear roles and responsibilities for effective implementation of the 2030 Agenda for sustainable development
- The BBP as a National SDGs Focal Point under the Ministry of Finance is tasked to coordinate and facilitate activities with various national stakeholders to integrate the SDG agenda into national planning processes.

Universal Approach to Audit Preparedness to Implement Sustainable Development Goals (SDGs)

Audit Criteria Used

Palau Government's Preparedness

and taking stock of appropriate and baseline data availability linked to global indicators.

- The SDGs activities led and coordinated by the BBP is still at the initial stage of SDGs preparation by localizing and taking stock of baseline data availability and linking to global indicators. Additionally, the roles and responsibilities of the BBP as the National SDG Focal Point are not defined to support accountability for effective implementation of the 2030 Agenda for sustainable development.

3. Engaging and Consulting

Engaging and consulting to inspire public awareness, engage other levels of government, and encourage dialogue on sustainable development goals

The BBP, Lead agency, under the Ministry of Finance as a National Focal Point has no procedures and tools in place to ensure inclusiveness, build public awareness, engage other levels of government, and encourage dialogue on sustainable development goals.

- No national communications plan and no engagement strategy for the 2030 Agenda for sustainable development for effective implementation
- BBP as the National SDG Focal Point mostly consulted with Ministries/Sectors on SDG localization by identifying SDGs contact points and stocktaking baseline data availability that may link to global indicators

**Universal Approach to Audit
Preparedness to Implement Sustainable
Development Goals (SDGs)**

Palau Government's Preparedness

Audit Criteria Used

4. Planning

Preparing plans and identifying policies and programs to achieve related sustainable development goals and targets

The BBP under the Ministry of Finance as a National SDG Focal Point has no existing plans, policies, programs or services to achieve related sustainable development goals and targets.

- An analysis of various national development plans and national targets toward the 2020 PNMDP and 2014 MTDS, and sector-based strategies may link to 2030 Agenda for sustainable development and SDGs
- An analysis of the extent to which existing policies and programs could contribute and link to achieving the 2030 Agenda goals and certain targets

5. Measuring system

Preparing a data framework to measure results on global indicators and preparing a system to measure policy and program results that reflect the national context

The BBP, as the National SDG Focal Point, is in process of preparing statistics to measure results on the global indicators.
Government lacks a national system to measure results of policies and programs identified to achieve national goals and targets that reflects the Palau Government's context, including baseline data for all indicators.

- Data framework is still in initial stage of development to measure government's results against global indicators
- Data compilation in progress
- No system in place to measure results toward national targets

**Universal Approach to Audit
Preparedness to Implement Sustainable
Development Goals (SDGs)**

Audit Criteria Used

Palau Government's Preparedness

6. Monitoring system

Explanation of a system for monitoring results in implementing the 2030 Agenda

There is no system for monitoring results and for reporting on progress towards the implementation of the 2030 Agenda and sustainable development goals.

- No system to monitor and measure progress towards national targets

7. Reporting system


Explanation of a system for reporting results in implementing the 2030 Agenda

There is no system for monitoring results and reporting on progress towards the implementation of the 2030 Agenda and sustainable development goals.

- No system in place to report progress towards national targets

APPENDIX II

**Bureau of Budget and Planning (National SDG Focal Point) under the Ministry of Finance
Policy Framework: Mapping Analysis for some of the Palau Existing National Priorities Development related to 2030 Agenda for Sustainable Development and SDGs
January 01, 2016 thru May 25, 2018
Performance Audit (PA) for Auditing Preparedness for Implementation of Sustainable Development Goals (SDGs)**

National Priorities (Existing National Sustainable Development Goals)	Link to 2030 Agenda and SDGs	Link to relevant Policy Integration Framework	Political Process	Technical Process	Specific SDGs Target	Resource Mobilization Process	Participatory Process	Lead Ministry /Sector
<p>Source: Provided by SDGs Focal Point and Palau 2020 Strategic Plan & MTDS (2009-2014)</p>	<p>Climate Change (CC)</p>		<p>Executive Order (EO) 358; Palau Budgetary Reform Act</p>	<p>Palau Climate Change Policy Framework 2015-2020</p>	<p>CC goal interventions is to sustainably manage carbon sinks and reduce national greenhouse gas emissions by at least 20% by 2020. Also the climate change policy builds on existing commitments to increase renewable energy contributions by 20% and decrease electrical energy consumption by 30% by 2020. Source: Palau Climate Change Policy Framework</p>	<p>Innovative financing approaches and operations will be explored, including options such as microfinance, levies, subsidies, soft loans, emergency funds, sovereign insurance, contingent credit, catastrophe bonds, and intergovernmental risk pooling. Source: Palau Climate Change Policy Framework; Palau Fiscal Budget Act</p>	<p>Stakeholders: Climate Change Office-MOF; PALARIS Office-MOF; PCC-Cooperative Research Extension; PCAA; BOA-MNRET; BMR-MNRET;EQPB, State Government and Community Representatives Partnership: United Nation Framework Convention on Climate Change (UNFCCC); Pacific SIDS; Secretariat Pacific Commission (SPC) ;Pacific Island Forum (PIF);Secretariat of the Pacific Regional Environment Program (SPREP);Global Island Partnership (GLIPSA); Source:Palau Climate Change Policy and UN Website for Partnership to SDGs</p>	<p>Bureau of Budget and Planning under the Ministry of Finance (MOF)</p>



Ocean

PNMSP
(2020 Vision
Strategy)
&
MTDS

27 Palau National
Code: Fishing; Palau
Marine Sanctuary
Act (RPPL 9-49);

Tuna Fisheries
Strategic Plan
(2017-2021);
EO 395

• Fully protects up to
500,000 square kilometers
or over 80% of Palau's EEZ.

- Includes a Domestic Fishing Zone to assure fishing and food security for Palauans and those visiting Palau
- By 2020, ends long-line fishing exports
- Strengthens laws for better enforcement and stiffer penalties for deterring illegal, Unreported, Unregulated fishing
- Sustainably financed by tourism economy. Source: EO 395; RPPL 9-49; Report by Keobel Sakuma <https://www.oceansanctuaryalliance.org/what-weve-done-1>

Environmental Impact
Fee thru travel by Air or
Sea, Foreign fishing
agreement under the
terms of a foreign fishing
agreement, Fisheries
Protection Trust Fund
("Trust Fund").
Source:RPPL 9-49

Stakeholders: National and State
Government; Non-government
organization's and CSO
Partnership: Global Island
Partnership(GLIPSA); Pacific
SIDS; Micronesian Challenge
(MC); Pacific Island Forum
(PIF); Republic of Korea
Government thru the Korea
Institute of Ocean Science and
Technology; Secretariat Pacific
Commission-European Union
(SPC-EU);Australian Gov't
Department of Defense;
Secretariat of the Pacific
Regional Environment Program
(SPREP);

Ministry of
National Resources
and Environment
Tourism (MNRET);
Office of the
President



27 PNC Fishing ;
Sharks Sanctuary Act
2009

Fourth Regular
Session, October
2009 Senate Bill
No. 8-105

Act 2009 declares Palau a
Shark
Sanctuary, where
commercial shark fishing is
outlawed throughout
Palau's entire exclusive
economic zone with zero
retention of sharks.
Source: Technical Proces
Documents

Seek aid from foreign
governments, international
organizations, non-
government organizations
or other entities to help
with the enforcement of
Palau's shark conservation
laws, as well as the
enforcement of any
international shark
conservation agreement to
which Palau is party

International cooperation by
Minister of State to seek
agreements, whether bilateral or
multilateral, to establish
international shark protection
measures that are consistent
with those of this Act; initiate
discussions with foreign
governments that are engaged
in, or that have citizens or
companies engaged in, activities
related to the fishing for or
finning of sharks.

Ministers of State,
Justice, and Natural
Resources,
Environment and
Tourism



PAN

MTDS

24 PNC Chapter 33;
RPPL No. 6-39;
RPPL No. 7-42

Palau Protected
Areas Network
Strategic Plan
2016-2020

to place at least 30% of the
nearshore marine and 20% of
the forest resources across
Micronesia under effective
conservation by 2020.
Source: RPPL 7-24 section 1

Micronesia Challenge to
provide financing
provisions for the
Protected Areas Network;
Palau Environmental
Protection Arrival Fee
("Green Fee") for the
financial sustainability of
the Protected Areas
Network; Source RPPL
No. 6-39

BOA; PCS; Ebill Society;
PICRC; Local Government
PAN Site; OERC;BNM,
National PAN Funds Office;
RARE; EQPB; BLS;
Environmental Inc.; One
Reef Office; BMR; TiaBleau
Newspaper; TNC; Pacific
Adademic Institute for
Research; Source: PAN
Strategic Plan

Ministry of
National Resources
and Environment
Tourism (MNRET);
Various Local
(State) Government
has PAN agreement
with National level



Health (National
Communicable
Disease)

PNMSP
(2020 Vision
Strategy)
&
MTDS

10 PNC Chapter 17;
2013 Legislation on
Tobacco, and EO 372
and EO 379 (NCD)

NCD Strategic
Action Plan
2015-2020 (Draft)

Reduce tobacco
consumption by 30% by
2020; Reduce harmful
alcohol use by 10%;
Improve overall nutrition;
Reduce physical inactivity
among children, youth, and
adults; Decrease the
prevalence of the major
NCDs by 10%; Source:
NCD 2015-2020 Strategic
Action Plan

The National Coordinating
Committee (Involvement of
appropriate National and
State Gov't Stakeholders)
shall seek to collaborate with
appropriate parts of civil
society, NGOs, and the
private sector and other
development partners and
technical advisors to ensure
the whole of society
approach to the NCD
response.

Fiscal Budget Act;
US AID

Ministry of Health
(MOH)



Education

PNMSP
(2020 Vision
Strategy)
&
MTDS

22 PNCA;EO 381
Special Education
Policies

Education Master
Plan (2006-2016;
2017-2026)

Educate the whole child
-mind, body and heart
(develop academic and
career readiness, character,
health, wellness, and the
arts) Source: Education
Master Development Plan
(2017-2026)

Partnership support work
with family, community,
employers, NGOs,
government ministries,
development partners and the
public to support students in
schools and in their
community. Source:
Education Master Plan (2017-
2026)

Fiscal Budget Act;
US AID

Ministry of
Education



Energy

PNMSP (2020 Vision Strategy) & MTDS
 27 PNCA, Executive Order 403; RPPL 9-54

National Development Bank of Palau

Palau Public Utilities Corporation

Palau National Government SPC North-Rep
 GEF-UNDP (SEDEA)
 Palau Community College
 Palau Chamber of Commerce
 Representative of the House of Delegates
 Representative of the Senate
 Representative of the office of the President
 Palau Conservation Society
 Office of Environmental Response & Coordination

Palau Energy Administration under the MPIHC

Fiscal Budget Act; Current development partners of Palau will continue to support the country with grant aid and concessional loans and new opportunities may emerge from green energy initiatives and carbon trading under the Kyoto Protocol and its successor. Source: Palau Energy Strategic Plan Page 14

To reduce energy consumption by 30% by 2020 and to produce a minimum of 20% of electrical energy from renewable sources by 2020. Source: Palau Energy Policy and Climate Change Policy Framework

Palau National Energy Policy (2012) and Climate Change Policy Framework 2015

Government funding, bilateral partners and support from the Green Climate Fund

Concessional loans and government-backed loans, Private sector investment, including commercial scale

Independent Power Producers (IPPs), Commercial rooftops and Japan's Joint Credit Mechanism (JCM), Maintain a list of current projects, their scope, and level of donor funding to maximize the impact of future government and donor funding.

Convene a meeting of Palau's development partners to help achieve country NDC targets. Source: Energy Summit Findings and Action Plan

Palau Intended Nationally Determined Contribution (INDC) Document(November 2015); Palau Energy Summit Findings and Action Plan (August 2017)

Indicative targets:
 - 22% energy sector emissions reductions below 2005 levels by 2025
 Source: Palau Intended Nationally Determined Contribution as per UNFCCC Agreement
 - 45% Renewable Energy target by 2025
 - 35% Energy Efficiency target by 2025

Leadership from the President and Olbiil Era Kelulau, active engagement from all Palauan stakeholders and communities, and strategic partnership between Palau and international governmental donors, non-governmental groups, and private philanthropists and activists. Source: Energy Summit Findings and Action Plan Note: At the reporting meeting, there is a pending Public-Private Partnership with GridMarket and EARTHx to Achieve 45% Renewable Power Generation by 2025 Source:

Palau Energy Administration under the MPIHC



Koror-Airai Water and Sewer Project

PNMSP (2020 Vision Strategy) & MTDS

24 PNCA Environmental Protection Act; EO 303 and 324; Koror Mangrove Act; RPPL 8-30 and RPPL 8-31; EO 361; Historical & Cultural Preservation Act, Title 19 PNCA; ADB guidelines and policies

JICA Press Release; Water Improvement Project Preparatory Report ; Initial Environmental Examination Report For Assessment (IEERE); IEERE Report -Update; Audit Report 2016 and 2017

To improve water transmission mains and reform water distribution zones, as well as replacing water distribution pipelines to provide a stable water supply in Koror and Airai States, thereby improving the living environment in those areas. Source: JICA Press release (1) creating an effective, efficient, and sustainable sewage collection system in Koror and Airai expected to be completed by 2022; (2) implementing a sewage treatment and disposal system that meets Palau's environmental standards; Sources: IEERE and Audit Reports

World Bank; ADB Loan (EO 361); Fiscal Budget Act

The stakeholder consultation process disseminated information to the public, project affected communities, and key environmental stakeholders. Information was provided on the scale and scope of the project, and the expected impacts and proposed mitigation measures, through consultation with government departments, local authorities, and the public in meetings. Source: IEERE Report-Update and Water Improvement Preparatory Report

Palau Public Utility Corporation (PPUC)



Belau Fiber Optic Cable

PNMSP (2020 Vision Strategy) & MTDS

15 PNCA; EO 351; RPPL 9-47

To establish a submarine cable investment that will supply high quality broadband internet capacity at lower cost to Palau than is currently available, making high-tech, high-speed telecommunication services accessible and affordable to the broader population. At the reporting stage, the project has been implemented.

Asian Development Bank; Fiscal Budget Act

Retail Service Providers (RSPs)

Minister of Finance/Belau Submarine Cable Corporation (BSCC)

Palau Congress; Government Agencies (BOA, MPIIC, EQPB, MCCA, MNRET); Airai State Public Lands Authority (ASPLA); Koror State Waste Management Office
 Airai Department of State Treasury and Finance; (DOST&F);
 Airai Department of Planning and Development
 (DOPD); Public Utility Corporation; Palau Conservation Society; Source: Renovation and Expansion of Palau International Airport in the Republic of Palau Initial Environmental Examination Report For Environmental Assessment February 2018

public-private partnership project to renovate and expand the Palau International Airport w/ Sojitz Corporation and Japan Airport Terminal Company (JATCO)

To negotiate and execute an agreement or agreements on behalf of the national government with a private contractor or contractors, or foreign government agency or agencies, to finance and to construct a new airport terminal building and related facilities or renovate the existing airport terminal building and related facilities in accordance with completed design and engineering specifications.
 Source: RPPL 10-11

Initial Environmental Examination Report For Environmental Assessment; Press Release Serial No. PR-17-049 August 7, 2017 Office of the President

8 PNCA; 40 PNCA Chapter 5; RPPL 10-11

PNMSP (2020 Vision Strategy) & MTDS



Palau Airport Terminal and Expansion

Bureau of Aviation, MPIIC

The National Emergency Management Office (NEMO) under the Ministry of Justice is responsible for the effective coordination of disaster preparedness activities, working in partnership with National Emergency Committee (NEC) working group, all government departments, sectors, NGOs, Churches, the Private Sector, Community Groups and regional partners.

ADB Loans; US Aid; Fiscal Budget Act

To enable effective coordination and collaboration in preparing for, responding to, and recovering from the impact of any hazard to Palau; to provide for the effective coordination and guidance for decision makers in the development of emergency response plans and procedures and disaster risk reduction strategies by government and non-government agencies that have mandated responsibilities for particular kind of activities.

National Disaster Risk Management Framework (2016); Palau Climate Change Policy; The Sendai framework for Action and Madang Framework); Pacific Islands framework for Action on Climate Change 2006-2015 source: PNDMR

ROP constitution Article VIII Section 14; EO 166-99; Executive Order (EO) 397

PNMSP (2020 Vision Strategy) & MTDS

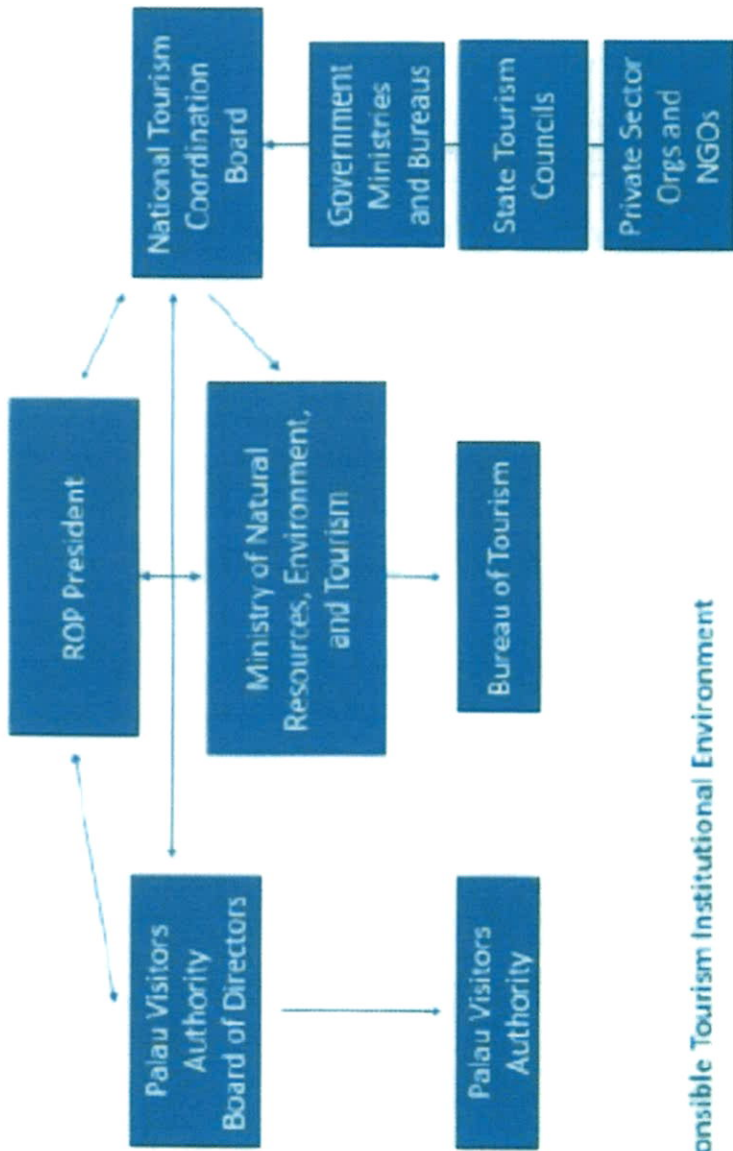


National Disaster Risk Management

National Emergency Management Office (NEMO) and Weather Bureau

APPENDIX III

Palau Responsible Tourism Institutional Environment (TIE) Structure



Palau Responsible Tourism Institutional Environment



**ILLEGAL OR WASTEFUL ACTIVITIES
SHOULD BE REPORTED TO:**

**OFFICE OF THE PUBLIC AUDITOR
REPUBLIC OF PALAU
P. O. BOX 850
KOROR, REPUBLIC OF PALAU 96940**

**Ground Floor
Orakiruu Professional Building
Madalaii, Koror, Palau**

**TELEPHONE NOS: (680) 488-2889/5687
FACSIMILE NO: (680) 488-2194
WEBSITE ADDRESS: www.palauopa.org
E-MAIL ADDRESS: admin@palauopa.org**

**MONDAY THRU FRIDAY
7:30 a.m. - 4:30 p.m.**

(Closed on Legal Holidays)