



Palau

Country Profile

October 2008

Prepared by SPC Strategic Engagement, Policy and Planning Facility

Palau Country Facts¹	
Country or territory official name	Republic of Palau
Capital city	Koror
Government and legal status	Constitutional government in free association with the United States of America Compact of Free Association came into force on 1 October 1994
Head of State	President Tommy Esang Remengesau, Jr.
Head of Government	President Tommy Esang Remengesau, Jr.
Land area	488 square kilometres
Exclusive economic zone (EEZ)	3,120,000 square kilometres
Population (mid-2008 estimate)	20,729
Population density (mid-2008 estimate)	41 persons per square kilometre
Annual intercensal population growth rate	0.6 per cent
GDP (2007)	USD170 million
GDP per capita (2007)	USD8,423
Real GDP growth (2005 estimate)	5.5 per cent
CPI annual change (2007)	6.7 per cent
Exports (2002)	USD8 million
Imports (2002)	USD81 million
Trade balance (2004)	-USD73 million
Crude birth rate per 1,000	13.5
Crude death rate per 1,000	7.8
Total fertility rate	2.0 children per woman
Infant mortality rate per 1,000	20.0
Male life expectancy at birth	66.3 years
Female life expectancy at birth	72.1 years
Urban population	64 per cent
Dependency ratio (15-64)	44
Median age	33.7 years
Youth (15-24)	15.3 per cent
Male labour force participation rate (2005)	75
Female labour force participation rate (2005)	64
Religions	Roman Catholic, Protestant, Modekngai (indigenous to Palau), Seventh-Day Adventist
Languages	Palauan, Filipino, English, Chinese
Official currency	United States dollar (USD)

¹ Source: SPC Statistics and Demography Programme (and its Pacific Regional Information System – PRISM www.spc.int/prism)

Introduction to the Country Profile

SPC country profiles document the nature and extent of the organisation's services to individual members.

This country profile presents basic country facts and a synopsis of Palau's development background and a narrative summary of the Secretariat's assistance during the period 2006-2008. Annexes include specific country activities and human resource development activities in 2008, and a financial summary of assistance during the period 2006 to 2008.

Palau Development Background

Palau was one of the last South Sea island groups to be discovered by Europeans. Until the Spanish-American War in 1898, the group was administered by Spain, although Germany had occupied some of the islands. After its defeat in the Spanish-American War, Spain sold the islands to Germany. Then, following Germany's defeat in the First World War, the islands were occupied by Japan. After Japan's Second World War defeat, Palau became part of the United Nations Trust Territory of the Pacific Islands, administered by the United States. In 1979, Palauans voted against joining the Federated States of Micronesia and, after a long period of transition, opted for a constitutional government under a compact of free association with the United States. In accordance with the terms of the compact, the US remains responsible for Palau's defence for 50 years but, in all other respects, the country is an independent nation and conducts its own foreign relations.

Palau has one of the highest standards of living among Pacific island countries. Its per capita GDP of \$8423 makes it one of the wealthier Pacific Island States. Tourism, government services and fishing are the main forms of formal economic activity in Palau. The service sector dominates the economy, contributing more than 80 per cent of GDP and employing around half of the population. Government employs nearly 26% of the work force. The principal economic challenge confronting the country is to ensure the long-term viability of its economy in the face of decreasing external support.

Under the compact of free association, the US Government agreed to pay grants to Palau totalling around USD450 million spread over the period 1994 to 2009. USD70 million has been set aside in a trust fund, the balance of which now stands at more than USD140 million. Within the compact, there are also provisions for major infrastructure projects, including the recent construction of a road around Babeldoab, the largest island. Additional provisions cover continuation of more than 40 US federal programs. In addition, a number of subsidiary agreements commit the US to continue to provide, at no cost to Palau, many vital services, such as air safety, weather forecasting, health services and natural disaster relief.

Agriculture is mainly on a subsistence level, the principal crops being coconuts, root crops, and bananas. Fishing is a significant source of revenue, but the island's tuna output dropped by over one-



third during the 1990s. The greatest opportunity for sustained growth in the Palauan economy is believed to lie in tourism. While development of additional tourism infrastructure is a major priority of government, attention is also being given to preserving the country's renowned pristine environment. Hence, promotion has been largely geared to high-yielding, low-volume tourism. The country's efforts to preserve a pristine marine environment have recently received positive worldwide publicity.

While most of Palau's natural environment remains free of degradation, there are some areas of concern, including illegal fishing using dynamite, inadequate facilities for solid waste disposal in Koror, and extensive sand and coral dredging in the Palau Lagoon. Another potential environmental risk is global warming, which could result in inundation of low-lying areas, thereby threatening coastal agriculture and the purity of water supplies. Palau has a problem with limited water supplies and inadequate agricultural land to support the population size. Sewage treatment is also a problem, along with the runoff from fertilisers and biocides used in agriculture.

Palauan matrilineal traditions ensure that women have equity in many aspects of life; however, parliamentary representation is very low. There is currently no woman in the legislature. Some traditional practices such as "ocheraol" also place greater burdens on women than men. Available statistics on school enrolment and literacy rates indicate that there is no gender discrimination but the share of women in wage and non-agricultural sector is very low. Child mortality and maternal health statistics for Palau are generally favourable. There are no reported cases of HIV/AIDS, but tuberculosis incidence is high with a prevalent rate of 110 per 100,000 people reported in 2002. There is keen awareness at the policy level of the need for environmental protection, but inadequate public awareness of the links between individual behaviour, lifestyles, and development choices and the environment.

Summary of SPC Assistance to Palau 2006 - 2008

This section provides highlights of SPC's assistance to Palau by SPC division and programme for the period 2006-2008. A more detailed listing of activities can be found in Annex 1.

Land Resources

The Land Resources Division assisted Palau in the land use policy and participatory land zoning through the provision of technical expertise and advice. Furthermore, through the placement of a DSAP officer, the division promoted the use of biogas digester as a means of managing wastes for the piggeries as well as charcoal and compost field works that will allow for better waste management. Promotion of the use of plant derived pesticides in Palau as a more environmentally friendly option compared to inorganic pesticides, allows for a more environmentally conscious society.

Marine Resources

The Oceanic Fisheries Programme (OFP) provided approximately USD 163,000 in assistance to Palau during 2006-2008. This assistance comprised funding and technical support for monitoring of the longline fishery (observer and port sampling programmes) in the Palau EEZ, tuna fisheries data management, capacity building in tuna stock assessment and fishery monitoring, and a major review of the fishery through a National Tuna Fisheries Status Report. A component of the Pacific Tuna Tagging Programme was also undertaken in Palau waters during 2008, which will lead to a better understanding of local exploitation patterns and tuna movements in this area. Over the period 2009-2012, the OFP will continue to provide tuna fisheries monitoring, data management and stock assessment capacity building for Palau. It is also expected that a major research project on bigeye tuna reproductive biology and age and growth will be conducted in Palau over this period.

The last three years has seen the SPC's Coastal Fisheries programme (CFP) actively assisting Palau through the provision of technical assistance, training, fisheries information, research, and the funding of participants to a range of conferences and workshops. Through the EU-funded and SPC implemented CoFish project, resource assessment (finfish and invertebrate) and socioeconomic surveys, including in-country training in survey techniques, have been conducted in Palau, with special attention on the trochus and sea cucumber stocks, and advice provided for management purposes. Additional training in the finfish underwater visual census and socioeconomic survey methodologies was provided to Palau participants to regional workshops. The results of the Palau survey work will be used in the development of a Palau Coastal Fisheries Action Plan, with initial consultations already undertaken.

Social Resources

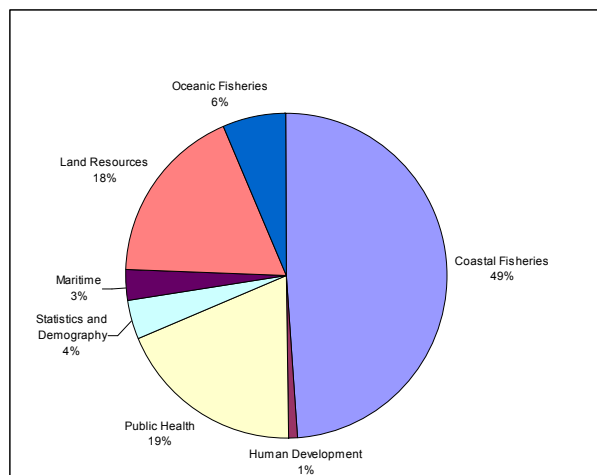
In the area of public health, SPC provided DOTS training and implemented contact tracing and TB/HIV collaborative activities. They further supported in-country surveillance activities for influenza with immune-fluorescence testing and procured antiviral supplies for rapid containment. SPC's Statistics and Demography Programme supported Palau to revamp and update its EPSO PRISM website which included training for the webmaster.

The Human Development Programme covered expenses for Palau representatives to attend the 10th Triennial Conference of Pacific Women and 3rd Ministerial which brought together decision makers within Governments, development partners, academics and non-governmental organisations to ensure more rapid progress to advancing gender equality in our region, the 5th Executive Board of the Council of Pacific Arts Meeting in Noumea as well as the 21st Council of Pacific Arts Meeting in Pago Pago, American Samoa. The main purpose of these two meetings was to review preparations for the 10th edition of the Festival.

Other Assistance, human resources development and financial highlights

Forty six persons from Palau participated in SPC training activities, organised by SPC's Land Resources, Social Resources (public health, statistics and demography, media centre), and Marine Resources (Maritime, oceanic and coastal fisheries) Divisions. Annex 2 provides further details.

Annex 3 indicates the estimated dollar value of assistance provided to Palau by the various programmes in SPC. The below pie chart depicts the assistance from 2006 to 2008 by programme area, a total of USD2,500,090 was utilised to support technical assistance, training activities, workshop participation, direct grants, and research activities. As depicted, SPC's Coastal Fisheries programme constituted 49% of total funds provided to Palau.



Coastal Fisheries	1,227,914
Human Development	20,995
Public Health	467,978
Statistics and Demography	95,033
Maritime	79,517
Land Resources	446,694
Oceanic Fisheries	161,959
Total	2,500,090

ANNEX 1: 2008 Notable Activities in Palau by SPC Division and Programme

Land Resources Division
<ul style="list-style-type: none">• Charcoal and compost field works are on-going and promoted through DSAP.• DSAP Palau is promoting use of biogas digester as a means of managing wastes for the piggeries.• Use of plant derived pesticides is being promoted in Palau as a more environmentally friendly option compared to inorganic pesticides.• Scoping study and discussions with Palau counterparts on the development of its national land use policy and participatory land zoning plan.• National consultation with a focus on ITPGRFA; acquisition of the taro lines, developed by the University of Hawaii, but derived from traditional Palau varieties.• Assisted with the adaptation of the regionally harmonised bill to local needs and prepare tabling in parliament.• One office attended regional training workshop on the use of the PCE tool.• Conducted national PCE evaluations.• One officer attended the refresh training for quarantine offers in UOG.• One officer attended the regional workshop on draft standards in Fiji.•
Marine Resources Division
<ul style="list-style-type: none">• Consulted with DMR on developing Palau Coastal Fisheries Action Plan• Provided scientific support to FFA workshop on Ecosystem Approach to Palau tuna fisheries management• Visited and provided advice to aquaculture projects in Palau• Produced and presented Palau Tuna Fisheries Status Report• Provided financial assistance for equipment and personnel support for the tuna statistics section• Observer coordinator workshop August 2008• Provided support and practical training in tuna tagging, tag recovery• Trained observers in biological sampling• 3 participants to the Ecosystems Approach (EACFA) and Aquatic Biosecurity meeting in Noumea• 1 participant to the regional finfish mariculture meeting in Noumea• Two participants in practical training course on finfish underwater visual census methodologies in Noumea• A total of 13 people participated/trained in various maritime areas:<ul style="list-style-type: none">○ Substandard shipping seminar○ PacMA subcommittee and Executive Committee meetings○ 2008 RMP planning meeting○ PacMA 12 conference○ Pacific maritime security conference○ Senior auditors practicum○ IMO Long Range Identification and Tracking Conference○ Business Excellence training course• 1 participant in high level fisheries Policy and Planning Workshop• 1 participant in subregional practical workshop on implementation and analysis of socioeconomic fisheries surveys• 1 participant in special Heads of Fisheries Meeting to develop the Regional Coastal Fisheries Management Strategies• 1 participant to the second Tuna Data Workshop• 1 participant in 2008 Tuna Fisheries Stock Assessment Workshops in Noumea

Social Resources Division
Public Health Programme
<p>HIV/STI</p> <ul style="list-style-type: none"> • Assist in producing 2008 UNGASS report <p>TB</p> <ul style="list-style-type: none"> • DOTS training and implementation of contact tracing and TB/HIV collaborative activities <p>PHPS & CDC</p> <ul style="list-style-type: none"> • Support for in country surveillance activities for influenza with immune – fluorescence testing , with sentinel surveillance activities • PRIPPP – Procurement of antiviral and supplies for Rapid Containment • Orientation to planning process and planned testing exercises processes <p>GFATM</p> <ul style="list-style-type: none"> • Undertook grant preparation and successfully concluded grant negotiations for two round seven HIV and TB proposals submitted to the global Fund with phase 1, 2 year combined value of \$16.34 Million. Grants commenced 1st July 2008
Statistics & Demography Programme
<ul style="list-style-type: none"> • Revamp/update EPSO PRISM website • Revamp/update NSO PRISM website, include on-the-job training of new webmasters

ANNEX 2: 2008 Human Resource Development Activities for Palau

SPC Division Programme/ Section	Training subject area (or course title)	Month	Year	Duration	Type:)	Location (city/town, country)	Number of Palau participants	Male Palau	Female	Number person days
SRD Public Health Global Fund	HIV care training	Feb	2008	2 days	Training	Palau	20	1	19	40
MRD Regional Maritime	Pacific Maritime Security Conference	May	2008	3 day	Training	Nadi, Fiji	3	3	0	9
MRD Regional Maritime	Senior Auditors Practicum	May	2008	2 days	Training	Suva, Fiji	1	1	0	2
MRD Regional Maritime	IMO LRIT	June	2008	2 days	Training	Suva, Fiji	1	1	0	2
MRD Regional Maritime	Business Excellence Training	July	2008	5 days	Training	Suva, Fiji	2	1	1	10
SRD: Regional Media Centre	Documentary Film Production	June	2008	12 days	Workshop	Pohnpei, FSM	2	1	1	24
SRD: Statistics and Demography	UNSD-SPC Census 2010 Technical Workshop	February	2008	5 days	Workshop	Noumea, New Caledonia	1	1	0	5
LRD: DSAP	DSAP Strategies	April	2008	5 days	Workshop	Nadi, Fiji	1	1	0	5
MRD: Coastal Fisheries: PROCFISH	Sub-Regional Training workshop on socioeconomics fisheries surveys in Pacific Islands : Collecting a minimum dataset	January	2008	1 week	Training	Noumea, New Caledonia	1	1	0	5
MRD: Oceanic Fisheries	Fisheries Data Analyses	March	2008	10 days	Training Attachment	Noumea, New Caledonia	1	0	1	10
MRD: Oceanic Fisheries	Basic Fisheries Observer course	June/July	2008	3 weeks	Training	Koror, Palau	7	4	3	105
MRD: Oceanic Fisheries	Ecological Risk Assessment	June/July	2008	2 days	Workshop	Noumea, New Caledonia	1	0	1	2
MRD: Oceanic Fisheries	Stock Assessment	June/July	2008	5 days	Advanced Workshop (course)	Noumea, New Caledonia	1	0	1	5
MRD: Coastal Fisheries: PROCFISH	UVC2 - Sub-Regional Training Workshop on Underwater Visual Census (Uvc) Methodologies for the Assessment of Reef Fish Resources	July	2008	1 week	Training	Noumea, New Caledonia	2	2	0	10
MRD: Coastal Fisheries	Training for Heads of Fisheries on Fisheries Policy		2008	tbd	Training	tbd	1	1	0	
MRD: Coastal Fisheries	Training on fisheries statistics and stock assessment – phase 2		2008	tbd	Training	tbd	1	0	1	
LRD: MRD: SRD:	Land Resources Marine Resources Social Resources					Total	46	18	28	234

ANNEX 3: Summary of SPC Assistance to Palau for the Period 2006-2008

Sector/Type of Assistance	Cost by Year			Total Cost
	2006	2007	2008	
Coastal Fisheries				
Technical assistance	5,850	10,900	6,100	22,850
Training activities (national, regional and attachments)	6,500	5,000	24,000	35,500
Research activities	0	0	0	0
Direct financial grants	0	0	0	0
Participation at meetings, workshops, etc.	359,000	802,564	8,000	1,169,564
Sector Total	371,350	818,464	38,100	1,227,914
Human Development				
Technical assistance	0	0	0	0
Training activities (national, regional and attachments)	0	0	0	0
Participation at meetings, workshops, etc.	5,850	10,125	5,020	20,995
Sector Total	5,850	10,125	5,020	20,995
Land Resources				
Technical assistance	42,733	27,194	77,641	147,568
Training activities (national, regional and attachments)	24,740	62,018	52,749	139,507
Research activities	32,804	32,981	32,471	98,256
Direct financial grants	0	0	0	0
Participation at meetings, workshops, etc.	20,620	22,763	17,980	61,363
Sector Total	120,897	144,956	180,841	446,694
Maritime				
Technical assistance	1,122	3,054	0	4,176
Training activities (national, regional and attachments)	34,017	4,988	0	39,005
Research activities	0	0	0	0
Participation at meetings, workshops, etc.	0	27,549	8,787	36,336
Sector Total	35,139	35,591	8,787	79,517
Oceanic Fisheries				
Technical assistance	23,452	17,304	18,709	59,465
Training activities (national, regional and attachments)	9,972	9,185	7,900	27,057
Research activities	0	0	65,000	65,000
Direct financial grants	0	4,269	0	4,269
Participation at meetings, workshops, etc.	2,084	0	4,084	6,168
Sector Total	35,508	30,758	95,693	161,959

Public Health

Technical assistance	15,360	1,700	7,500	24,560
Training activities (national, regional and attachments)	13,570	2,000	10,000	25,570
Research activities	44,000	0	0	44,000
Direct financial grants	20,391	115,039	215,216	350,646
Participation at meetings, workshops, etc.	13,202	0	10,000	23,202
Sector Total	106,523	118,739	242,716	467,978

Statistics and Demography

Technical assistance	5,957	8,667	5,455	20,079
Training activities (national, regional and attachments)	0	6,100	0	6,100
Direct financial grants	0	41,014	0	41,014
Research activities	0	0	0	0
Participation at meetings, workshops, etc.	15,816	7,922	4,102	27,840
Sector Total	21,773	63,703	9,557	95,033
Grand Total	697,040	1,222,336	280,714	2,500,090

*Projected

Please note that this table includes only the direct cost of SPC assistance. It does not include major expense items such as the cost of SPC personnel (e.g. salaries). The total financial value of SPC assistance is therefore significantly higher than shown in the table.