



CABINET MEETING
Office of the President
 Ngerulmud | 9:19 am – 11:41 am
 Monday, March 20, 2017

In Attendance:

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| <ol style="list-style-type: none"> 1. President Tommy E. Remengesau, Jr. 2. Vice President Raynold Oilouch 3. Minister Elbuchel Sadang 4. Minister Baklai Temengil-Chilton 5. Minister Billy Kuartei 6. Minister Charles Obichang 7. Minister Emais Roberts 8. Minister Umiich Sengebau 9. Minister Sinton Soalablai 10. Director Casmir Remengesau, Budget & Planning 11. COS Secilil Eldebechel 12. DCOS Rebluud Kesolei 13. Keiden Kintol, VP Special Assistant/PIO 14. Nace Soalablai, Legislative Liaison Officer | <ol style="list-style-type: none"> 15. Kaleb Udui, Jr., Senior Economic Advisor 16. Jerry Nabeyama, PNMS Project Coordinator 17. Tutii Chilton, Energy Office 18. NDBP Chair Marino Rechesengel 19. NDBP CEO Claire Harvey 20. PHA Director Frida Delmau 21. EQPB Director Roxanne Blesam 22. FIB Chair Susan Ngirausui 23. Fermin Meriang, FIB Board Member 24. Margie Bechab, FIB Admin Officer 25. PNCC CFO Leo-Ben Teriong 26. Anthony Rudimch, PPUC Water Project Manager 27. Isebong Rengulbai, PPUC PIO |
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Prepared by Rolynda Jonathan, Office of the President

AGENDA	DISCUSSION
President’s Trip to Singapore and Fiji	<ul style="list-style-type: none"> • Singapore is a promising airline connecting Palau to Asia. <ul style="list-style-type: none"> - President Remengesau met with the President of Singapore who expressed willingness to give Palau their blessing in regards. In the coming days, Minister Obichang will look into the possibility of this connection. The role the Palau delegation had to Singapore was instrumental and critical towards achieving agendas for the upcoming Oceans Conference in June. - As a rich small island nation, Palau can learn much from Singapore at the same entice possible investment to Palau. - The delegation was able to follow up with Four Seasons of their investment to Palau. Aimeliik was proposed as a potential site. It will be up to the state to decide. • The Fiji was a high-level preparatory meeting to develop the Pacific’s agenda to the United Nations Ocean Conference in June 2017. <ul style="list-style-type: none"> - Palau proposed the blue fund initiative that signed and adopted by Pacific leaders. The initiative proposed some fund from the Green Climate Fund to focus on oceans. The next step is to bring the initiative to the UN. - In meeting with the University of South Pacific, some scholarships were offered to Palauan students. Palau proposed USP to consider changing the school’s name to University of Pacific.
Status Report from FIB and EQPB	<ul style="list-style-type: none"> • President reminds the whole of our policy direction of high-value low-impact development projects for Palau. These developments take time. Therefore it is crucial that licensing and permitting processes shall not be delayed for promising high-value development projects. <ul style="list-style-type: none"> - Strong communication and coordination must be exercised by all relevant agencies responsible for licensing and permitting. - President’s Legal Counsels will develop the “one-stop shop” directive that strengthen collaboration of all relevant agencies and require regular meetings.



	<ul style="list-style-type: none"> - President announces the government will invest \$5 million to design, construct and fund a 3-story “one-stop shop” building to house various agencies including EQPB, FIB, Historical Preservation Office and relevant agencies to provide a “one-stop shop” service within the same building. • Status Report from FIB <ul style="list-style-type: none"> - Since the FIB Reform Act become effective, three major projects have been approved. FIB has approved three major investment companies. Of the three one particular company – Palau International Investment – is being considered of high-value. - The company was issued an FIAC on Jan. 23, 2017 with terms of 99 years. The company plans to develop and construct a five star hotel in Ngaraard. The project is to develop a high end resort with 318 rooms on a pre-existing lease from a private owner in Ngarchelong and Ngaraard State. The project also includes numerous restaurants, boutiques, a health center, shopping mall, and a big parking lot at the resort. The company is willing and able to install its own power supply system, and supplement water and wastewater systems as well as install necessary holding tanks and leach fields. The project is valued at \$84.4 million. - As part of FIB’s review process, EQPB normally advises and recommends on water and wastewater processes. • Status Report from EQPB <ul style="list-style-type: none"> - EQPB has approved some permits for hotel development and continues to review several others, including: <ul style="list-style-type: none"> ~ PPR: Permit application for 11 over-the-water bungalows. Public wastewater connection. Project costs \$1.4 million, and is pending completion of Koror-Airai Sanitation Project (KASP) for wastewater connection. ~ Permit has been issued to WJ Palau Holiday Hotel with 185 rooms for \$8.5 million. Project is pending KASP for wastewater connection. ~ Grand Palace Villa Park for \$16 million to be located in Ochelochel, Airai to construct onsite wastewater system. Lease was awarded to the owner BC Holdings by Airai State. ~ Phase 1 permit has been issued to Palau Reef Hotel Pemphis Hotel. The project costs \$15 million and is located in Ngerbechedesau. Phase 2 is pending assessment from Historical Preservation Office. - EQPB reports that Sheraton Hotels have yet to submit application for permits. Sheraton reportedly communicated to EQPB that they are still negotiating terms with PPUC for connection to public wastewater system. - EQPB requests the whole for additional budget to allow hiring of additional engineer who will assist in increasing productivity in terms of survey and assessment as well as provide much needed manpower in this respect.
<p>NDBP Progress Report of the Agri/Aquaculture Mega Loan Program</p>	<ul style="list-style-type: none"> • NDBP in the past week has approved additional \$50,000 worth of loans mainly on piggeries. Agri/Aquaculture Broker Jeff Ngirarsoal continues to work state governments and individual clients. <ul style="list-style-type: none"> - Peleliu crab project is worth \$500,000-600,000. The project is pending further assistance from Thai experts. • NDBP has met with the Embassy of Taiwan and the Taiwan Technical Mission to discuss possibility of getting an expert on the ground to assist farmers. • Mangrove Crab Program <ul style="list-style-type: none"> - MNRET and NDBP continue to work together in this respect. - MNRET is looking into the possibility of utilizing the Project Development Fund for the program. MNRET has developed arrangements and process in regards. MNRET will draft a press release for dissemination in regards. • President reiterates the need to expend and disburse the \$5 million mega loan by year-end. NDBP is



	<p>requested to provide a briefing of the program to the Governors at the next meeting with them, which will be scheduled sometime this week.</p>
<p>Palau Housing Authority Progress Report of the \$5 million Program</p>	<ul style="list-style-type: none"> • Palau Housing Authority (PHA) has approved and closed all applications from Fiscal Year 2012 to 2015. <ul style="list-style-type: none"> - Total of 24 projects have been approved for FY2016 totaling \$560,000. - PHA continues to receive FY2017 applications. PHA priorities applications for home construction in Babeldaob per earlier discussion with Minister Sadang and Minister Temengil-Chilton. As of March 2017, PHA is looking at a total balance of \$1.8 million. For PHA programs, \$907,000 balance is left; displaced program is \$1 million. - Discussion continues at the state level for development of the township program. In the state level, challenges face aside from access roads and other known challenges, applicants also faces challenges with delayed process from PPUC with connection to water and electric services. • President emphasizes need to expand housing development to Babeldaob, and to disburse the funding to make way for request of new funding. • PHA to provide briefing to Governors at the next meeting to be scheduled sometime this week.
<p>PPUC Progress Update on Water and Sewer Projects</p>	<ul style="list-style-type: none"> • PPUC recorded two incidents relating to the water project over the past week. <ul style="list-style-type: none"> - On March 14, a UXO was discovered at the excavation and installation site near Hawaiian Rock. The bomb was found 2 feet deep shaped like a drum. It was removed off-site, the site was cleared and operation resumed on March 17. - On March 16, a massive traffic jam occurred due to 400+ meter one lane as result of paving work from Ngerias to Sakurakai during peak hours. The closure was reportedly due to decision made by subcontractor, Surangel, without proper consultation. The following day, PPUC officials met with the subcontractor and emphasized size of sites to not exceed 200 meters. • Installation and excavation have resumed at Lebuu Street in Dngeronger. <ul style="list-style-type: none"> - This week towards the end of month, installation continues from Surangel to in front of intersection to SDA. This should be completed by March 22. The same team to move to Mintobashi to PVA. Team is currently there preparing site. Installation and excavation ongoing in Ngerbechedesau. Installation and excavation to begin on March 22 at SDA behind Post Office. Desekel site ongoing and progressing. - Installation and excavation in Airai ongoing and progressing. - Safety officers, Public Works, Norwegian People’s Aid are surveying Malakal this week. Operation will resume following the completion of the survey. • Water outage on March 19 was due to water pipe damage in Airai. The pipe was repaired and water services restored by 5AM. President highly recommends need for quick response and repairs. • President: Potholes must be addressed. Another component adding to the traffic congestion is the avoiding of potholes. <ul style="list-style-type: none"> - Minister Sadang has met with PPUC officials and ADB representatives on additional funding. MOU was executed in regards. Meeting with Director Melairei and PPUC CEO executed on issue of CIP office relocating. Matter has been resolved. • Equipment for the sewer project has arrived. Construction is scheduled to begin in April.
<p>Briefing from PNCC</p>	<ul style="list-style-type: none"> • PPUC/PNCC Agreement <ul style="list-style-type: none"> - The issue relating to the use of PPUC utility poles by PNCC was resolved on Friday, March 17. The board of each respective agency came to an agreement. PNCC will pay \$30,000 year. - The contracts are expected to be signed by both parties by March 21.



	<ul style="list-style-type: none"> • President urges PNCC and PPUC to sign the contract. PNCC asked to cover the \$30,000 and not pass the charges to customers. • Update of Projects <ul style="list-style-type: none"> - PNCC aims to prepare and ready infrastructure by Oct. 2017 in anticipation of fiber optic connection. - PNCC is expanding coverage of cellular services by installing additional cell antennas particularly in known death spots throughout Palau. Additionally, PNCC is working on converting system from 3G to 4G. 3G has the capability of 5MB, while 4G is 100MB. With higher capabilities, 4G will make available TV and fixed line wireless services. - The biggest challenges facing PNCC in terms of installation of additional antennas is power connection. • President: Prioritize antenna installation in Babeldaob particularly in those death spots as soon as possible. PNCC must adequately prepare for the fiber optic. I will the board and management accountable otherwise. • PNCC Board Membership <ul style="list-style-type: none"> - There are two vacancies. One for late Mariana Espangel. Rhinehart Silas' position was be filled. President: We need someone on island with active membership. Silas must be advised on the matter. Priority must be placed on new membership for the board. • Kayangel Services <ul style="list-style-type: none"> - Since last report from PNCC, Kayangel's cellular, landline and WiFi services have been restored and in operation. President requests PNCC to disseminate press release in regards. PNCC reports a press release was disseminated, but will release again.
<p>Ministry Briefings</p>	<ul style="list-style-type: none"> • Ministry of State <ul style="list-style-type: none"> - A meeting has been executed on how to establish communication with agencies in regards to the UXO's policies and procedures. President instructs Minister Kuartei to simplify the process. - Department of Defense survey has been completed. DOD is due to submit their report in April. DOD requested to meet with the President in the first part of May in regards. • Ministry of Finance <ul style="list-style-type: none"> - The FY2017 budget has passes both houses of the OEK. Demolition funding was appropriated through the budget request. \$400,000 for Manila housing included. State block grants increase was also included. Legislative Branch – House and Senate – also increased their budgets. - Minister Sadang has met with OEK officials on the EIF and they expressed strong stand on repealing the fee. • Ministry of Health <ul style="list-style-type: none"> - Light bulbs for MOH's parking lot streetlights have been changed. Over the weekend insulation and air conditioning was repaired. Sea walls also under repair. Progress ongoing to repair roofing and ceiling to follow. Summerhouse repair complete. - MOH working on potential recruits with Israel. - MOH has executed meeting and discussion on reinstating the Nursing Assistant Program. - MOH has begun advertising rooms for sponsorship for renovation. Some applicants have reached out the hospital and chosen rooms for renovation and cleanup. - European Union/NZ program met with hospital and supports retrofitting all health dispensaries as energy efficient. The proposal can be incorporate into the project. - Discussion with Ngeremlengui on fixing up the access road to the dispensary has resolved itself.



Ngatpang has extended assistance in this respect.

- The hospital has been found to owe \$28,000 from 2012 to present for operation of hyperbaric chamber. The hyperbaric chamber was originally donated to Palau on the condition that MOH share 50% of profit from non-Palauans using the chamber to the donating company. The chamber is free for Palauans, but charges use fee to non-Palauans – revenues derived from this fee, according to the original agreement, was to be split 50/50 between the hospital and the donating company. President instructs Minister Roberts to process the payment.
- Dengue fever cases reached 31 in January. For March, cases are recorded at 28.
- Minister Roberts requests for any unused generators available for utilization by the hospital.

- **Ministry of Education**

- Extends appreciations to all Ministers on success of Awareness Week.
- Graduation and promotion week is scheduled for May 22-29.
- MOE have extended request to Governors to provide assistance and support to 11th and 12th grade students who are required to obtain credit in the upcoming school year to clean up all cemeteries in their respective states as part of learning during the summer with guidance from the Governors and their families.
- Funding for the Pacific Education Conference this summer is included in FY2017 budget. President: Make sure we are well prepared in hosting the conference.

- **Ministry of Natural Resources, Environment and Tourism**

- MNRET preparing to host GEF meeting of focal points from the Pacific in April. The meeting will comprise of about 50-60 people.
- MNRET has received response from Koror State Governor regarding the closure of the Jellyfish Lake. KSG reports they continue to provide timely updates to the public, continues to work with Coral Reef Research Foundation (CRRF) in monitoring, and current scientific data does not necessitate closure. President emphasizes the lake as national interest not just Koror States and all matters must be considered in order to allow the lake to recuperate. *Minister Sengebau instructed to meet with CRRF.*
- Minister Sengebau has met with Governors who have agreed to launch a national initiative to eradicate kabeyas. President: Let's meet with Governors this week to discuss arrangements to launch the project.

- **Ministry of Public Infrastructure, Industries and Commerce**

- In terms of the PPUC/PNCC agreement, the agreed was made for \$3.00 per attachment per year for a total of \$30,000 a year instead of \$2.00 per attachment per month. In terms of utility pole maintenance, PPUC claims they expend \$2 million annually to maintain the infrastructure.
- Communication bill draft has been completed. Copy has been submitted to President's Office for his review.
- Report on buoy assessment has been completed. MPIIC to submit to the Office of the President.
- Minister Obichang, PPUC officials and Minister Kuartei are scheduled to meet SPREP Director-General Kosi Latu on Wednesday, March 22 at Penthouse Hotel. Director-General Latu is visiting Palau from March 22-24 as part of the UNDP SPREP mission team to conduct briefing and debriefing consultations with Palau representatives for the proposed Pacific Islands Greenhouse Gas Abatement through Renewable Energy Project (PIGGAREP+). On March 23, the team will go to Kayangel for the commissioning of the solar power water system project.
- On March 28, mission team from ENEA/Italy to finalize activities relating to the project "Increasing Palau's resilient water to extreme drought events: taking action for long-term adaption to the impacts of climate change".
- Ongoing programs include a project with NREL working on guidance and recommendations for a MRV system for the renewable energy and energy efficiency component of Palau's National Determined Contributions (NDC).
- The European Union/NZ project is willing to conduct energy efficiency related projects. The program is looking to support NDC as EU focuses on energy efficiency, anything that lowers



	<p>emission and offset use of fossil fuel such as retrofitting and renewing. In this respect, EU/NZ program cannot fund the streetlight project.</p> <ul style="list-style-type: none"> - Maintenance and repair of solar lighting systems, etc., must be made clear of whom is responsible. - <i>President instructs scheduling of meeting with PPUC and the Energy Office this week on renewable energy.</i> <ul style="list-style-type: none"> • Ministry of Community and Cultural Affairs <ul style="list-style-type: none"> - Youth Day program was successful. MCCA was also able attend state hosted youth programs. - MCCA has completed aging survey with assistance from Aging Office, hospital, the Election Commission and other partner agencies. The survey comprised of people aged 55 and over with detailed information of their status. There are total of 4,000+ recorded. - MCCA continues to extend assistance to Yap in preparation for their hosting of the Micronesian Games in July 2018. President encourages Minister Temengil-Chilton to consider using PMA Aircraft in travel to Yap. Yap Invitation Games moved to December 2017. Palau will be invited to participate. - MCCA is developing beautification project in collaboration with Director Melairei and the First Lady. - MCCA also preparing to host the Pacific Regional Meeting on Intangible Cultural Heritage from April 25-27. - MCCA requests Ministers to submit their event calendar for year for compilation. - This year's Christmas event has been confirmed to take place in Ngerulmud. <i>President instructs Minister Kuartei to arrange for fireworks.</i> - Belau Games has been confirmed for June 23-July 2, 2017. - MCCA working on incorporating family activities in all national holidays. President reminds to whole to develop a family fishing derby event for the summer. • Ministry of Justice <ul style="list-style-type: none"> - MOJ is gearing up to host is formation and inspection ceremony on March 21. The President is requested to give a special remark, if his schedule allows. - Police Academy has been confirmed to begin on April 9 for new recruits and existing law enforcement officers who have yet to complete the academy. - At the first NEC meeting earlier this month, Meteorologist-in-Charge Maria Ngemaes reported 50-60% chance for drought later this year. Ngemaes has since left for a trip off-island in regards to his projection. A follow up a meeting is expected upon her return and to discuss plans moving forward. - As per the President's instruction, meeting with Minister Obichang, PPUC and contractors was executed to discuss ways to improve traffic conditions. Some suggestions were made. MOJ continues to monitor and improve traffic conditions.
<p>Reminders</p>	<ul style="list-style-type: none"> • All Ministers are reminded to submit first 100 days action plans to the Office of the President as soon as possible. • All Ministers are reminded to “follow up” and “think outside the box” on all initiatives. • The next Cabinet Meeting is scheduled for 9:00AM, Monday, March 27 at the Capitol. All Ministers are advised to appoint a Director to attend the meeting on their behalf if they are unable to attend.

***Meeting minutes are subjected to change and approval**