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QUESTIONS & ANSWERS FOR RFP PCS-2026-58

"Establishment of the Global Environmental Steward Program for Palau"

Global Environmental Residency Program, Digital Residency Office, Ministry of Finance. These responses clarify the Terms of Reference (TOR) and are published to all prospective offerors. They do not amend the TOR; any change to requirements will be issued only as a written addendum. Questions are grouped by topic and have been lightly edited; offerors are not identified.

No.	Topic	Short answer	Within RFP scope
1	Access to Digital Residency user base	No direct data access; consent-based channels may be proposed	Yes
2	Revenue sharing ratio	No set minimum; offerors propose, then negotiated	Yes
3	Development cost recovery	No set period; no guarantees or Republic funding	Yes
4	Contract term, renewal, transition	Negotiated multi-year term; renewal tied to KPIs; no set transition date	Yes
5	Local partner requirement	Not required; no organization recommended	Yes
6	Environmental project selection	Offerors propose governance; Republic keeps final approval	Yes
7	Legislative and regulatory drafting	Firm prepares drafts at its own cost; Republic reviews	Yes
8	Cybersecurity and data protection	ISO 27001-based regulation applies; sovereign data plan required; ISO 27001 or NIST alignment considered; Republic audits	Yes
9	KPIs and minimum targets	Set in Stage 2 from offerors' projections; no preset minimums	Yes
10	Pre-bid meeting	None planned; written questions only	Yes
11	Residency status for members	Cannot be granted through this RFP or	Partly

No.	Topic	Short answer	Within RFP scope
		contract	
12	Timing of presentations	Only at the Procurement Office's request, after opening	Yes
13	Digital currency initiative	Not addressed through this procurement	No
14	Elite Visa policy	Not addressed through this procurement	No
15	Eligibility to join	Offeror to propose, with sanctions and AML screening	Yes
16	Sign-up process and timing	Offeror to propose	Yes
17	Fees, cancellation and refunds	Offeror to propose	Yes
18	Member benefits	Offeror to propose	Yes
19	Official status and public statements	Republic-owned; use of its name needs approval	Yes
20	Status in Palau	None; offeror to propose clear disclosure	Yes
21	Link to Digital Residency ID	Separate program; offeror to propose any link	Yes
22	Visiting and volunteering	Offeror to propose; ordinary entry rules apply	Yes
23	Allocation of funds	Offeror to propose	Yes
24	Projects funded and who decides	Offeror to propose; see question 6	Yes
25	Impact reporting to members	Offeror to propose	Yes
26	Tax deductibility	Republic cannot determine; offeror to propose	Yes
27	Directed contributions	Offeror to propose	Yes
28	Donation or purchase; audits	Offeror to propose; Republic audits	Yes
29	Who runs it; verification	Firm operates under contract; offeror to propose verification	Yes
30	Personal information	Offeror to propose under the cybersecurity regulation	Yes
31	Payment methods	Offeror to propose, subject to AML and	Yes

No.	Topic	Short answer	Within RFP scope
		approval	
32	Operator change or program end	Offeror to propose continuity and wind-down	Yes
33	Corporate membership and ESG	Offeror to propose	Yes
34	Gift memberships	Offeror to propose	Yes

Program design and commercial terms

1. Will the selected firm be granted access to the existing Digital Residency user base for marketing and cross-selling purposes? If so, in what form (email distribution, dashboard integration, API access), and what data-sharing or privacy framework will govern that access?

No. The selected firm will not get direct access to Digital Residency personal data for marketing or cross-selling. That data is protected by the Digital Residency Program Cyber Security Regulation, which is based on ISO 27001 and binds contractors, vendors and third-party users (Sections 1.b and 2.c). Section 7.e allows reuse of information for a new purpose only in narrow cases, such as the individual's consent.

Offerors may propose consent-based ways to reach digital residents under TOR §3(1)(d), such as:

- messages sent by the Digital Residency Office itself
- opt-in sign-up or referral features on the Digital Residency platform

Any approved method will be set out in a data-sharing agreement with the Digital Residency Office in Stage 2 (TOR §3(2)(f)), governed by that regulation.

Use of personal data with an individual's consent may be permitted, but only with prior, express and informed consent obtained in a form approved by the Digital Residency Office (see question 8).

2. The RFP states that "fees generated will be shared between the firm and the Republic" but does not specify a ratio. Is there a minimum percentage the Republic expects to receive, or is the revenue split open to negotiation as part of the financial plan?

The Republic has not set a minimum percentage. Offerors should propose the split, and how fees are collected and passed on, in their financial plan (TOR §3(1)(g)). The proposed return to the Republic will be weighed in evaluation. The final split will be negotiated in the operating agreement (TOR §3(2)(h)). The Republic's share is public revenue and must be deposited in the National Treasury (Constitution, Article XII, Section 1).

3. The RFP states that development costs are self-financed and recovered through program revenue. Is there a minimum or maximum recovery period the Republic envisions before the program reaches profitability? Are there any guarantees if revenue targets are not met during the initial contract term?

The Republic has not set a minimum or maximum recovery period; offerors should propose one in their projections. There is no guarantee if revenue targets are not met. The TOR states that Palau will not

fund development or implementation and that development costs are borne by the offeror (TOR §3(1)(g)). No funds may be withdrawn from the National Treasury except by law (Constitution, Article XII, Section 1). The Republic therefore cannot offer a minimum payment, revenue guarantee or reimbursement, and offerors should price this risk into their proposals.

4. What is the anticipated initial contract term, and under what conditions would renewal be considered? Is there a defined transition timeline for when the Republic may assume control of the program?

The TOR provides for a "negotiated multi-year renewable contract" (TOR §2). The initial term is not fixed; offerors may propose one that fits their cost-recovery plan. Renewal will depend on performance against the Key Performance Indicators (KPIs), reports and audits agreed in Stage 2 (TOR §§3(1)(m), 3(2)(d), 3(3)(f)).

The Republic retains ownership of the program. The firm operates it until Palau can assume control of all or part of it (TOR §2). No transition date has been set, and offerors are encouraged to propose a transition and local capacity-building plan.

5. Does the Republic require the selected firm to partner with a local nonprofit or environmental organization for fund administration or project disbursement? If so, are there specific organizations the Republic recommends or has already engaged?

No local partner is required. Offerors may propose partners inside or outside Palau (TOR §3(1)(j)); qualified local partners may strengthen alignment with Palau's environmental leadership (TOR §3(1)(c)). The Republic does not recommend or endorse any organization and has not engaged one for this program.

Registering a Palau entity is not required to submit a proposal. However, an offeror's existing or planned registered presence in Palau will be taken into consideration in evaluating its proposed base of operations and operational arrangements (TOR §3(1)(j) and (k)). The selected firm will in any case need all licenses and permits to conduct business in Palau (TOR §3(2)(a)).

All subcontractors and affiliates must be identified and approved in Stage 2 (TOR §3(2)(f)). Any party that administers or disburses funds is subject to the program's anti-money-laundering and counter-terrorist-financing controls (TOR §3(1)(l)).

Offerors must propose how they will enforce AML/KYC requirements on partners that administer or receive funds, including due diligence on their owners and controllers, in line with the Palau Financial Intelligence Unit's regulations and guidance (palaufiu.org).

6. Who determines which environmental projects receive funding: the firm, the Digital Residency Office, or a joint committee? Will there be an established framework for project vetting and impact measurement?

The TOR does not prescribe a method. Offerors should propose the governance structure, vetting criteria, impact measures and reporting for funded projects; these will be evaluated under TOR §3(1)(c) and (m). The final framework will be agreed in Stage 2. As owner of the program, the Republic will retain final approval over how the Republic's share of funds is used.

7. The RFP references developing "necessary legislation and regulations." Will the Republic provide legal counsel and legislative drafting support during Stage 2, or is this the firm's responsibility?

Preparing draft legislation and regulations is part of the firm's assignment (TOR §2: "development and proposal of legislative changes and regulations"). The firm "will work with the Republic" on them (TOR §3(2)(b)). The Republic will review drafts through the Digital Residency Office and its legal advisers and transmit them through proper channels. Only the Olbiil Era Kelulau (the national legislature) can enact legislation, and adoption is not guaranteed. The firm bears its own legal and drafting costs; the Republic bears its own (TOR §3(1)(g)).

8. Are there specific cybersecurity frameworks or data protection standards (e.g., ISO 27001, GDPR compliance) the Republic requires the firm to meet? Will the Republic conduct security audits?

The firm must comply with the Digital Residency Program Cyber Security Regulation, which is built on ISO 27001, and with any regulations adopted for this program. Key requirements include:

- independent system audits (Section 13)
- regular compliance reviews (Section 17)
- logging and monitoring of system events (Section 21)
- immediate reporting of any breach of personal information to the Information Security Manager (Section 5.e)

Palau law does not require GDPR compliance as such. However, the firm must comply with the data protection laws of every jurisdiction where it operates or markets, and must hold all licenses needed abroad (TOR §3(2)(a)).

Offerors must describe how they will handle and store sovereign data: data belonging to or entrusted to the Republic, including program and member records. The description should cover where data will be hosted, who can access it and from which jurisdictions, encryption, backup, and how data will be returned to the Republic or securely deleted at the end of the contract.

Offerors must comply with all existing and future Palau laws and regulations on the storage and handling of the Republic's sovereign data. Sovereign data, including member data, may be used only for the vendor's internal purposes in operating the program. Any other use is prohibited, including mining, selling, licensing or sharing the data. This applies in all circumstances, with only three exceptions: (a) express written authorization from the Attorney General of the Republic of Palau pursuant to an order of a Palau court; (b) use or disclosure with the individual's prior, express and informed consent, obtained in a form approved by the Digital Residency Office; and (c) release to an approved third party only where absolutely necessary to operate the program, limited to the minimum data required, under a written agreement binding that party to these same restrictions.

In evaluation, the Republic will take into account current ISO 27001 certification, or evidence of alignment with the NIST Cybersecurity Framework (CSF) 2.0 or NIST SP 800-171. Offerors should submit the certificate, or an assessment or other evidence of alignment, with their proposal.

The Republic will conduct financial and performance audits and must have access to records (TOR §3(1)(m)). Security plans must be detailed and tested in Stage 2 (TOR §3(2)(g)). At proposal stage, only a general description of the data security plan is required (TOR §3(1)(e)).

9. What key performance indicators (KPIs) will the Republic use to evaluate the program's success after launch? Are there minimum revenue or membership targets?

KPIs will be finalized in Stage 2 (TOR §3(2)(d)). No minimum revenue or membership targets are preset. Offerors should propose targets with their projections and market analysis (TOR §3(1)(g) and (h)); once agreed, these become the targets the Republic monitors, including revenue targets (TOR §3(3)(f)). The Republic expects KPIs to cover:

- membership and revenue
- payments to the Republic
- environmental funds disbursed and their measured impact
- customer service
- security and anti-money-laundering compliance

Membership and residency benefits

11. May qualified members be granted a residency-related status or membership benefit, potentially building on Palau's existing Digital ID initiative? Specifically, may they enter, reside in and leave Palau multiple times a year to take part in conservation activities, and may they maintain a local residential address in Palau?

No immigration status can be offered through this RFP or the resulting contract. The program is to be "complementary but separate from the digital residency program" (TOR §2). The Digital Residency ID itself does not confer a right to enter, reside in, or obtain permanent residency in Palau.

Entry, length of stay and multiple-entry rights are governed by Palau's immigration laws, which are administered by the immigration authorities, not the Digital Residency Office. The Republic therefore cannot commit that members may enter, reside and leave multiple times a year, or maintain a residential address that evidences residence. Members visiting Palau, including for conservation activities, remain subject to ordinary entry requirements.

Offerors may propose membership benefits that do not depend on immigration status, such as recognition, access to conservation programs, and digital services. A benefit that would require a change in law would be treated as a legislative proposal in Stage 2 (TOR §3(2)(b)), with no assurance of adoption. Proposals should not depend on such changes to be viable.

Joining the program

Questions 15–34 concern how the program will work for members. The TOR leaves membership design to offerors, so these are matters for offerors to propose in their response. Proposals will be evaluated under the TOR criteria and finalized in Stage 2. Where the TOR or Palau law already sets a limit, it is stated.

15. Who will be eligible to join: individuals anywhere in the world, or companies too? Will there be restrictions by country or age?

Offerors should propose eligibility as part of their target market (TOR §3(1)(h)). Proposed rules must include sanctions and anti-money-laundering screening consistent with the offeror's compliance strategy (TOR §3(1)(l)).

Offerors must propose how they will enforce AML/KYC requirements in determining eligibility, in line with the Palau Financial Intelligence Unit's regulations and guidance (palaufiu.org); see question 16.

16. How will members apply, how long will it take, and will identity verification or approval be required?

Offerors should propose the application, verification and approval process and a processing-time standard (TOR §§3(1)(d), 3(1)(i), 3(1)(l)). Service standards will become KPIs in Stage 2 (TOR §3(2)(d)).

Offerors must propose how they will enforce anti-money-laundering and know-your-customer (AML/KYC) requirements at sign-up and throughout membership. This includes identity verification, sanctions and politically exposed person screening, record keeping, and suspicious transaction reporting. Proposals must comply with the Money Laundering and Proceeds of Crime Act of 2001, as amended, and the regulations and guidance of the Palau Financial Intelligence Unit (palaufiu.org).

17. Will membership be a one-time fee, an annual subscription, or tiered? Can members cancel, and will refunds be available?

Offerors should propose the fee structure and cancellation and refund terms in their financial and marketing plans (TOR §3(1)(g) and (i)).

Member benefits and status

18. What will members receive: a certificate or card, a digital badge, updates, event access, or benefits when visiting Palau?

Offerors should propose the benefit package (TOR §3(1)(d) and (i)). Benefits delivered by third parties must be covered by partner agreements approved in Stage 2 (TOR §3(2)(f)).

19. Is this an official Republic of Palau program, and what may members say publicly about their membership?

The program will be owned by the Republic and operated by the selected firm under contract with the Digital Residency Office (TOR §2). Offerors should propose how the program and membership will be presented publicly; any use of the Republic's name is subject to the Republic's approval.

20. Will membership give members any status in Palau, such as residency, visa benefits or an ID? If not, will this be stated clearly?

No; see question 11. Offerors should propose how their terms and marketing will state this clearly.

21. Is membership connected to the Palau Digital Residency ID? Will members need one or receive one?

The program is to be separate from, but complementary to, the Digital Residency program (TOR §2). Offerors should propose any link between the two (TOR §3(1)(d)); see also question 1.

22. Will members be able to visit or volunteer with the projects they support?

Offerors should propose any visit or volunteer opportunities with their project partners (TOR §3(1)(j)). Members visiting Palau remain subject to ordinary entry requirements.

Use of member funds

23. What share of each membership fee will reach environmental work on the ground, and what share will cover running costs?

Offerors should propose the allocation between environmental projects, operating costs, the operator's fee and the Republic's share in their financial plan (TOR §3(1)(g)). The final allocation will be set in the operating agreement (TOR §3(2)(h)).

24. Which projects or organizations will be funded, and who will decide?

See question 6. Offerors should propose the selection framework and candidate project partners (TOR §3(1)(c) and (j)).

Offerors must propose how they will apply AML/KYC due diligence to project partners before any funds are disbursed and monitor disbursements afterwards, in line with the Palau Financial Intelligence Unit's regulations and guidance (palaufiu.org).

25. Will members receive reports on what their contributions achieved, such as an annual impact report or project updates?

Offerors should propose member reporting as part of their reporting and marketing plans (TOR §3(1)(i) and (m)).

26. Will contributions be tax-deductible in members' home countries (for example the US, EU, UK or Japan), and will members receive receipts their tax authorities accept?

The Republic cannot determine tax treatment in other countries. Offerors should propose any structure intended to support deductibility in specific markets, and bear the related compliance costs (TOR §3(1)(g) and (j)).

27. Will members be able to choose what their contribution supports, such as reefs, the marine sanctuary, mangroves or a particular state?

Offerors should propose whether and how contributions may be directed, within their project selection framework (see question 6).

28. Will a membership be treated as a donation or a purchase, and who will audit that funds are used as promised?

Offerors should propose the legal character of membership payments, to be settled in the Stage 2 legislation and regulations (TOR §3(2)(b)). The Republic will conduct financial and performance audits and have access to records (TOR §3(1)(m)); offerors should propose any additional independent audit.

Trust, privacy and payments

29. Who will run the program day to day, the government or a company on its behalf, and how will members confirm it is genuine?

The selected firm will operate the program under contract with the Republic, which retains ownership (TOR §2). Offerors should propose how members can verify the program and how impersonation and fraud will be prevented (TOR §3(1)(d) and (i)).

30. What personal information will members provide, where will it be stored, and will it be shared with anyone?

Offerors should describe data collection, storage location and sharing in their data security plan (TOR §3(1)(e)), in line with the Digital Residency Program Cyber Security Regulation (see question 8). Details will be set in Stage 2 (TOR §3(2)(g)).

31. How will members pay (card, bank transfer or crypto), and will the payment page be operated by the government or a third party?

Offerors should propose payment methods and providers, subject to anti-money-laundering requirements (TOR §3(1)(l)) and approval of subcontractors (TOR §3(2)(f)). See also question 13.

Member data may be released to a payment processor or other approved third party only where absolutely necessary to operate the program. Any release must be limited to the minimum data required and made under a written agreement binding that party to the same data restrictions (see question 8).

Offerors must propose how they will enforce AML/KYC requirements for each payment method, including transaction monitoring and the extra controls any digital asset payments would need. Proposals must follow the Palau Financial Intelligence Unit's regulations and guidance (palaufiu.org).

32. What will happen to memberships if the program changes operator or ends?

The Republic retains ownership and may take over all or part of the program (TOR §2). Offerors should propose continuity, transition and wind-down arrangements for members (TOR §3(1)(k)).

Corporate and gift memberships

33. Will there be a corporate membership, and may companies sponsor the program, cite it in ESG reporting and be publicly recognized?

Offerors should propose any corporate or sponsorship category and recognition terms (TOR §3(1)(h) and (i)). Use of the Republic's name is subject to its approval (see question 19).

Offerors must propose how they will enforce AML/KYC requirements for corporate members and sponsors, including verification of beneficial ownership, in line with the Palau Financial Intelligence Unit's regulations and guidance (palaufiu.org).

34. Will members be able to give a membership as a gift or join in someone else's name?

Offerors should propose whether gift memberships will be offered, and how recipients will meet eligibility and verification requirements (see questions 15 and 16).

Offerors must propose how they will apply AML/KYC checks to both the payer and the recipient of a gift membership, in line with the Palau Financial Intelligence Unit's regulations and guidance (palaufiu.org).

Procurement process

10. Does the Republic plan to hold a pre-bid meeting or vendor briefing? If so, when and in what format?

No pre-bid meeting or vendor briefing is planned. Questions must be submitted in writing, and answers are published to all prospective offerors at palaugov.pw/rfp-bids. Oral statements do not bind the Republic.

12. Section I.g indicates that any interviews or presentations would be arranged at the request of the Procurement Office after proposal opening. Is this understanding correct? May an offeror present its proposal comprehensively in person, voluntarily and at its own expense, and what is the expected timing? For example, could a presentation be arranged within three days after bid submission?

Yes, that understanding is correct. Interviews or presentations are held only if the Procurement Office requests them, after proposals are opened (RFP Section I.g). Unsolicited presentations, including voluntary ones at the offeror's own expense, will not be accepted, so that all offerors are treated equally.

If presentations are requested, invited offerors will be told the date, place and format in writing, and will bear their own costs. The Republic cannot commit to a date such as three days after submission. The TOR expects the selection committee to decide within 15 calendar days after the proposal deadline (TOR §3(1)). Proposals should therefore be complete as submitted, since evaluation may rest on the written proposal alone.

Statements of capability or timelines made in inquiries are not considered in evaluation. Offerors should include them in their proposals.

Outside the scope of this RFP

13. Could the Republic provide an update on the current status of legislation and implementation for the Palau digital currency / PLC initiative, so that the program might be integrated with Palau's emerging digital currency and financial infrastructure?

This question is outside the scope of RFP No. PCS-2026-58, and no status update will be given through this procurement. The TOR does not cover Palau's digital currency or payment initiatives. Offerors may describe payment options in their digital features (TOR §3(1)(d)). However, proposals must not depend on any payment instrument that is not authorized under Palau law at the time of submission.

14. Has the Elite Visa policy taken effect or begun implementation? If so, could it be integrated with the program so that certain qualified members may progress toward permanent residency?

This question is outside the scope of RFP No. PCS-2026-58, and no status update will be given through this procurement. Immigration and visa policy is not part of the TOR. The resulting contract will not create a pathway to permanent residency, and proposals should not depend on any visa program (see also question 11).