



REPUBLIC OF PALAU
OFFICE OF THE PRESIDENT

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Executive Order No. 465

“To Affirm a National Policy for State-Owned Enterprise Governance.”

WHEREAS, Governments create State-Owned Enterprises (SOE) in order to improve the efficiency, transparency, and accountability of public service provision; and

WHEREAS, typically these SOEs are carved out of government departments and converted, by public law, into a public corporation, or SOE; and

WHEREAS, as a corporate entity, an SOE has more independence to raise capital, manage assets and be held accountable for results; and

WHEREAS, in creating SOEs, governments seek to mimic the conditions that drive efficiency in the private sector; the major difference is that the owner of an SOE is the government rather than private shareholders; and

WHEREAS, Executive Order 373 established a National Policy for State Owned Enterprise Governance; and

WHEREAS, the content of Executive Order 373 is affirmed through this Executive Order and this current action intends to fully implement the purposes of Executive Order 373;

NOW THEREFORE, by virtue of the authority vested in me as President of the Republic of Palau pursuant to the Constitution and applicable laws of the Republic, it is hereby ordered that Executive 373 is affirmed and fully implemented as follows:


Section 1. Implementation. The purpose of this Executive Order is to fully implement Executive Order 373 and empower the Minister of Finance to engage with SOEs in order to improve the performance and cost efficiency of SOEs. The primary goal of this policy is for the Republic of Palau to shift on a transitional basis from providing services through SOEs to working with SOEs operating on commercial principles in order to promote cost-efficiency, transparency, and delivery of targeted subsidized services without compromising the commercial basis on which SOEs must operate. Further, this Executive Order fully implements all of the seven core policy principles outlined in Executive Order 373 that provide a framework that will assist the ROP in achieving the combined goals of improved public service delivery, reduced fiscal transfer to the SOE sector, and private sector development.



Section 2. Prior Orders. This Executive Order amends and implements Executive Order 373.

Section 3. Effective Date. This Executive Order shall be effective immediately upon signature, and shall continue in force until rescinded or otherwise modified by future Executive Order.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this 20th day of October, 2021 in Koror, Republic of Palau.



Surangel S. Whipps, Jr.
President of the Republic of Palau