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For Government of Palau
and Asian Development Bank

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Medium-Term Development Strategy
Vulnerable Populations

Final



Prepared for
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Asian Development Bank

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Table of Contents

ACRONYMS	iii
1. EXECUTIVE SUMMARY	1
1.1 Introduction.....	1
1.2 Populations with Special Needs	1
1.3 Vision, Goals, and Strategies	3
2. Introduction.....	12
3. Populations with Special Needs	12
3.1 Disabled	12
3.2 Adolescents.....	17
3.3 Victims of Domestic Violence, Abuse, and Neglect.....	24
3.4 Other Women with Special Needs.....	27
3.5 Senior Citizens with Special Needs.....	28
3.6 Future Outlook.....	32
4. Persons Living with Economic Hardship	33
4.1 Introduction.....	33
4.2 Access and Opportunity	34
4.3 Socio-Cultural Poverty.....	35
4.4 Income and Expenditures.....	36
4.5 Vulnerability	40
4.6 Pro-Poor Strategies.....	42
4.7 Poverty, Hardship, and the Medium-Term Development Strategy	43
5. Annexes	49
5.1 Calculating the Human Poverty Index for Palau.....	49
5.2 Recommended Strategies and Actions Rated by “SID”	50
5.3 References	55

ACRONYMS

ADB	–	Asian Development Bank
COFA	–	Compact of Free Association
CoPopChi	–	Committee on Population and Children
EQPB	–	Environmental Quality Protection Board
FIB	–	Foreign Investment Board
FY	–	Fiscal Year
HIES	–	Household Income and Expenditure Survey
HPI	–	Human Poverty Index
LEAP	–	Law Enforcement Explorers' Program
MC&CA	–	Ministry of Community & Cultural Affairs
MOE	–	Ministry of Education
MOH	–	Ministry of Health
MOJ	–	Ministry of Justice
OERC	–	Office of Environmental Response and Coordination
OOK	–	Omengull ma Okurulel Klechad
PCAA	–	Palau Community Action Agency
PCC	–	Palau Community College
PINZ	–	Polytechnics International New Zealand
PNC	–	Palau National Code
PPP	–	Purchasing Power Parity
ROP	–	Republic of Palau
UNDP	–	United Nations Development Program
YRBS	–	Youth Risk Behavior Survey

1. EXECUTIVE SUMMARY

1.1 Introduction

1. This working paper is one of a series produced by PINZ, a consultant firm engaged by the Asian Development Bank (ADB) under the ADB-Republic of Palau (ROP) Facility for Economic and Infrastructure Management Project. Collectively, the papers in the series propose economic policies and institutions needed to improve national development on a sustainable basis over the medium-term (FY 2009-2013).

2. This paper focuses on vulnerable populations. These populations are broadly characterized as: (a) persons who have special needs due to physical or social characteristics; and (b) persons (or households) experiencing economic hardship. For each population, the paper compiles what information is available to enumerate and describe the population together with an inventory of the services available to address their special needs.

1.2 Populations with Special Needs

3. During consultations with service providers, several populations were identified as having special needs due to their social or physical characteristics. These are: (a) persons with disabilities and other special health care needs; (b) adolescents; (c) women and children who are victims of abuse or in the case of children and dependent elderly, neglect; (d) certain other categories of women who are under stress; and (e) certain categories of elderly.

4. **Disabled.** There are 1,098 persons receiving social support services due to disabilities. These include children receiving special health and/or education services, the mentally disabled served by the Division of Behavioral Health, and home-bound or wheel-chair bound adults who receive a disability stipend from the government's general fund or the Social Security Administration. Based on global disability prevalence rates, it is estimated that there are another 350-450 persons who have significant disabilities but are not receiving special services. Other than income support for totally disabled adults through the Disability Fund and the Social Security fund, all services for the disabled are funded by U.S. Federal grants.

5. Palau has comprehensive and well coordinated services for disabled children. There are very few services, however, for disabled adults. Improving transition services for children approaching adulthood and improving services to disabled adults are among the priorities for action identified by service providers for inclusion in the MTDS.

6. **Adolescents.** Service providers identify adolescents (persons 15-19 years of age) as a group at high risk due to psycho-social, educational, and economic vulnerabilities. There are a number of services that target adolescents but despite these services, for most indicators, it seems that problems among this group are worsening. Participants in the 2008 Youth Rally and the Symposium on the Situation of Children, Youth, and Women (March 2008) identified "busy parent – busy child" syndrome as lying at the heart of many of these problems. They called on individual parents to make more time for their children, on families to develop traditions about spending time together, and on civil society to take action to bring families together. These and other actions are highlighted in the 2005 National Policy on Youth that has been endorsed by the OEK.

7. **Victims of Domestic Violence, Abuse, Neglect.** Each year on average 40-45 cases of child abuse or neglect and 90 cases of adult abuse or neglect are reported to VOCA (Victims of Crime Assistance within the Ministry of Health). Issues identified for this population include: (a) inadequate laws; (b) lack of a shelter or other “respite” services to provide temporary accommodation while cases are investigated and long-term solutions developed; (c) inadequate funding for services.

8. **Women with Special Needs.** Because of Palau’s matriarchal and matrilineal heritage, women are not a classic disadvantaged group in Palau. In general women enjoy better health and achieve higher levels of education than men. While less likely to participate in the labor force, when employed, women earn more than men. Despite this overall favorable situation, service providers identify three categories of women as vulnerable: (a) pregnant women; (b) single mothers; and (c) women who are caregivers for the chronically ill. The Bureau of Public Health has proposed to organize a new Office of Social and Spiritual Health. Assistance to these vulnerable women is part of that office’s draft program of work.

9. **Senior Citizens with Special Needs:** The official definition of senior citizens includes persons 55 years of age and older. In 2005, there were 2,374 senior citizens resident in Palau including 506 seniors over the age of 74. The population of senior citizens is growing at twice the national average which will pose future challenges for providing adequate health and social support services for this population. Special services for senior citizens are provided by the Administration on Aging (within the Ministry of Community and Cultural Affairs) and by the Ministry of Health. A major concern of the Ministry of Health is the increasing number of seniors (current estimate 35-40 persons) who health care providers believe are at risk of neglect or abuse by their caregivers.

10. To address the challenges of a growing senior population in an era of economic austerity, it is recommended that services be better targeted to address seniors in need – especially those of advanced age who are in ill-health with limited income support. In addition, stronger preventive health programs are needed to help seniors “live long and live well.”

11. **Terminally Ill and End of Life Care.** Health care providers identify a need to improve end of life care for the terminally ill (of all ages). There is a growing trend toward bringing the terminally ill to the hospital for care. On average 15-20 percent of medical ward beds are occupied by long-term care patients who do not need the facilities of an acute care unit. Although many health care providers are calling for a special care unit to be established for these people, the current economic climate is not conducive to introducing new (and expensive) services. It is suggested in the working paper that many of the identified needs can be met by expanding the existing home health services to include more elements generally associated with Hospice Care.

12. **Persons Living with Economic Hardship.** Analysis of the 2006 Household Income and Expenditure Survey (HIES) has determined that one-in-five households and one-in-four persons were then living with economic hardship. The number of households and persons affected is probably higher today (2008) due to rapid inflation caused by escalating energy prices. In comparison to other Pacific Island countries, this represents a moderate level of hardship comparable to that found in Tonga and Samoa but far lower than that found in other parts of Micronesia, Melanesia, and Fiji.

13. **Vulnerability.** Vulnerability is defined as the inability of individuals or households to easily withstand economic shocks such as death of a breadwinner or loss of employment.

Vulnerability is very high in Palau due to high consumption patterns, low levels of savings, and high levels of indebtedness. Vulnerability will increase unless attention is paid over the MTDS period to strengthening the safety net represented by Palau's natural resources and almost universal access to land, cultural tradition of "caring and sharing," and extended family network. For the long-term, it is also critically important to proceed with measures to mitigate the impact of climate change since climate change represents the single greatest source of vulnerability for the nation as a whole (OERC, 2002).

14. **Cross Cutting Issue.** Table 1 summarizes services and funding allocated in FY 2007 to meeting the needs of vulnerable populations. Eighty percent of identifiable funds are from U.S. Federal grants. These are disproportionately directed toward services for disabled children and at-risk adolescents. Very little funding is allocated to addressing the needs of other vulnerable groups – disabled adults, victims of abuse and neglect, senior citizens at risk, and persons living with economic hardship. Although public resources will be severely constrained during the MTDS period, some additional funding may be necessary if service providers are to have the resources necessary to mobilize community-based support for the vulnerable.

1.3 Vision, Goals, and Strategies

15. For the MTDS, the proposed vision for vulnerable populations is "life with dignity". This vision is supported by three goals:

- To ensure the basic needs of all residents are met;
- To reduce vulnerability by preserving and strengthening safety nets represented by:
 - The Palauan ethic of "sharing and caring";
 - Universal access to productive land and sea resources.
- To provide compassionate, timely assistance to people falling through the "safety net".

16. Five strategies and 21 actions have been identified for inclusion into the MTDS to meet the needs of vulnerable populations and persons living with economic hardship. The strategies are:

- Laying the policy foundation;
- Accessing basic services;
- Extending opportunities;
- Sustaining safety nets;
- Meeting basic needs.

17. These strategies together with their action steps are set out in Table 2. Recommended strategies and actions have been assessed on the basis of the "SID" indicators adopted in all the working papers that comprise the MTDS series. "SID" is an acronym that stands for:

- Support – extent to which the strategy and action are supported by key stakeholders including, in the case of vulnerable populations, political leaders, service providers, and people experiencing vulnerability or economic hardship;
- Impact – extent to which the strategy and action will impact on the well-being of vulnerable populations at a cost that is affordable to individuals, government, and society; and
- Do-able – ease of implementation.

18. While table 12 sets out the scores assigned for each action against the three criteria, Table 2 contains only a single summary score that reflects weights assigned to the criteria. Support and doable are both weighted at 25 percent while impact is weighted at 50 percent. The rationale for weighting is that if a recommended action will have a high impact, it may be worth developing strategies to increase support or do-ability as required to move forward with implementation. Table 2 also contains priority rankings ranging from 1-to-5. Priorities are assigned based largely on “SID” scores although broad-based strategies that enhance the ability of the nation to address needs of vulnerable populations are generally assigned a higher priority ranking than services that specifically target any single vulnerable group.

**Table 1. Funding for Services to Populations with Special Needs
Summary Table**

Target Population	Ministry & Office	Services	OEK Funding USD	Federal & Other Funding Circa FY 2007	
				Program	USD
Disabled children	MOH Family Health Unit	Early identification, treatment, rehabilitation, social support	In-kind	CISS-SECCS	\$140,000
			In-kind	Newborn Screening	\$83,000
			In-kind	Children with Special Needs (Interagency)	\$95,000
	MOE Special Education	Special education, occupational & physical therapy, parent support, case management	In-kind	Special Education	\$1,001,000
Mentally disabled	MOH Behavioral Health	Treatment and prevention	\$100,000	Behavioral Health	\$49,143
				Olmstead Project	\$7,648
Disabled adults	MC&CA Disability Fund	Disability allowance	\$200,000	Nil	\$0
Subtotal			\$300,000		\$1,375,791
Adolescents	MOH-MOE Family Health Unit (School Health)	Adolescent Health Cooperative (School health clinics at PHS & GBH; outreach; screening & referral; case management)	In-kind	School HIV-AIDS Prevention	\$101,738
	MOE HIV/AIDs	School health education; Palau PRIDE; YRBS survey series		School HIV-AIDS Prevention	\$97,000
	MOH Behavioral Health	Stop Tobacco Use Now education, cessation		Tobacco Prevention *	\$153,159
	MOH Behavioral Health	SIG (State Incentive Grant) Underage alcohol initiative		SIG Grant *	\$389,379
	MOE Gear-up	Identify and support educationally at-risk youth; youth-to-youth outreach		Gear-Up	\$262,435
	PCC – Talent Search	Identify & support educationally at-risk youth in elementary schools		Talent Search	\$203,054
	PCC – Upward Bound	Identify & support educationally at-risk youth in high schools		Upward Bound	\$359,618

Target Population	Ministry & Office	Services	OEK Funding USD	Federal & Other Funding Circa FY 2007	
Adolescents (continued...)	PCC-Upward Bound Math & Science	Identify and support educationally at-risk youth with emphasis on math and sciences		Upward Bound Math and Science	\$207,487
	Ministry of Justice OOK Program	School transportation (Babeldaob to Koror), mentoring, after-school drop-in center, LEEP program in elementary schools	\$3,000	Nil	\$0
	MC&CA Youth Services	Monitoring of Youth Policy Implementation; special projects; Job Corps applications	\$34,000 (2 positions)	Nil	\$0
Subtotal			\$37,000		\$741,276
Domestic Violence	MOH Victims of Crime Assistance	Case management & crisis intervention	\$30,000	Nil	\$0
Women	MC&CA Women's Information Office	Special projects	\$23,000	Nil	\$0
Subtotal			\$53,000		\$0
Senior Citizens	MC&CA Administration on Aging	Senior centers, meals, transportation, employment, craft outlet, special projects	\$230,000	Nil	\$0
	MOH – Home Health	Medical, nursing, and case management for home bound elderly	\$20,000		\$40,000
Subtotal			\$250,000		\$40,000
Low income persons	MOH Sliding Fee Scale	Health care subsidy	Cannot determine value		0
Public utility subsidy	Basic services	In FY 2007 subsidies were applied across the board; value of subsidies that benefit low income households cannot be determined	Cannot determine value		0
Grand Total			\$640,000		\$2,157,067

Table 2. Strategic Planning Matrix for VULNERABLE POPULATIONS

Vision: Life with dignity.

- Goals:**
- (1) To ensure the basic needs of all Palau's residents are met;
 - (2) To reduce vulnerability by preserving safety nets represented by:
 - The Palauan ethic of "sharing and caring";
 - Universal access to productive land and sea resources.
 - (3) To provide compassionate, timely assistance to people who fall through the "safety nets".

Strategy	Action #	Action	SID Rank (1-10)	Priority Rank (1-5)	Responsibility	Cost	Timing
1. Develop, implement, and monitor a pro-poor strategy that addresses the needs of all vulnerable groups.	1.1.	Identify a policy focal point for poverty analysis and monitoring <ul style="list-style-type: none"> - Identify an institutional focal point - advisory council comprised of policy makers, service providers, and community representatives 	9.2	1	Office of the President	No additional	Yr 1
	1.2.	Formalize poverty (hardship) guidelines based on analysis of 2006 HIES and community consultations <ul style="list-style-type: none"> - Income dimensions of poverty - Social-cultural dimensions of poverty 	9.0	1	Policy Focal Point with advisory council	Additional funds needed for consultation	Yr 1
	1.3.	Develop an explicit pro-poor strategy based on data analysis and consultations with persons experiencing hardship and the service providers who assist them <ul style="list-style-type: none"> - Engage community based and faith based organizations in the dialogue about poverty and hardship 	9.2	1	Policy Focal Point with advisory council	No additional	Yr 1-2
	1.4.	Monitor the situation of poverty and hardship <ul style="list-style-type: none"> - Integrate comprehensive measures into census and HIES - Identify sentinel indicators for routine monitoring 	9.2	1	Office of Planning & Statistics	No additional	Yr 1-5

Strategy	Action #	Action	SID Rank (1-10)	Priority Rank (1-5)	Responsibility	Cost	Timing
2.Ensure universal access to basic public services (health, education, water, sanitation, and power)	2.1.	For each of the essential services, develop an explicit subsidy system that protects access by low income households.	8.7	2	Policy focal point with service providers	To be determined ¹	Yr 2-3
3. Ensure equitable opportunities to participate in social and economic life.	3.1.	Progressively reduce the number of children who leave school prior to high school graduation; (see MTDS strategies and actions for EDUCATION).	8.5	2	Ministry of Education	See Education Paper	Ongoing
	3.2.	Progressive expand vocational-technical training opportunities; (see MTDS strategies and actions for EDUCATION).	7.5	4	Ministry of Education; PCC; Nat'l Training Council	See Education Paper	Yr 3-5
	3.3.	Progressively increase the number of Palauans active in the labor force in jobs that pay a "living wage;" (see MTDS strategies PRIVATE SECTOR DEVELOPMENT, LABOR, IMMIGRATION).	8.7	1	Ministries of Finance, Education & Labor Office	See Economic Policies Papers	Yr 1-5
4. Ensure continued resilience of safety nets – natural resources, tradition of "caring and sharing," family and culture	4.1.	See MTDS strategies and actions for ENVIRONMENTAL PROTECTION.	8	2	See Environment Paper	See Environment Paper	Yr 1-5
	4.2.	Develop a strategy (or strategies) to enable land owners to access the equity represented by their land without alienation of land.	7.5	2	Policy focal point with States	To be determined	Yr 2-5
	4.3.	Develop policies and systems to address the looming issue of displaced families.	8	2	Policy focal point, service focal point (see 5.1), EQPB, FIB, States	To be determined	Year 2-5

¹ In most sectors, this strategy will entail no additional costs but simply an adjustment of existing subsidies in order to better target those in need.

Strategy	Action #	Action	SID Rank (1-10)	Priority Rank (1-5)	Responsibility	Cost	Timing
	4.4.	Develop at least one community-based model for delivering culturally competent community-based social services.	7.3	3	Policy & Service focal point with service providers, CBOs & State Governments	To be determined	Yr 2-4
5. Meet the basic needs of vulnerable populations and people living with economic hardship. ²	5.1.	Identify a Social Service focal office to take leadership in: ³ <ul style="list-style-type: none"> - Providing a “one stop shop” for assistance, information and referral services for persons in need of services; - Advocating for vulnerable populations and people living with hardship. 	8.2	2	Office of the President	No additional	Yr 1
5.1. Address the needs of the vulnerable – disabled	5.2.	Strengthen services that ease the transition for disabled children to adulthood <ul style="list-style-type: none"> - Mechanisms for follow-up and ongoing support - Sheltered workshop - Expanded job opportunities 	7.7	5	Interagency Task Force & Special Education	Additional (Amount to be determined)	Yr 2-5

² Most actions under strategy 5 are ranked as #5 priority. This is because, while vitally important to the individuals and families affected, these actions will have a lower impact than policy-oriented actions on reducing hardship and vulnerability nationally. The exceptions to this priority ranking are 5.3 (adolescents) because of the size of the affected population, 5.9 (preventive health for seniors) because of the ease of implementation, and 5.10 (end of life care) because implementation affects other health care priorities. Despite the relatively low ranking of actions under strategy 5, they are still important and steps should be taken for their implementation.

³ In consultations, there was a consensus among service providers that the proposed Office of Social and Spiritual Health within the Bureau of Public Health was the logical focal point for coordination of social support services. Formal identification and designation, however, require more discussion at senior policy levels so no specific recommendation is made in this paper regarding the focal office.

Strategy	Action #	Action	SID Rank (1-10)	Priority Rank (1-5)	Responsibility	Cost	Timing
	5.3.	Strengthen services for disabled adults <ul style="list-style-type: none"> - Needs identification - Coordination among service providers - Life-long follow-up and support for severely disabled 	7.7	5	Ministries of Health, Education, Community & Cultural Affairs	Additional (Amount to be determined)	Yr 2-5
5.2. Address the needs of the vulnerable – domestic violence, abuse, neglect	5.4.	Amend the child abuse law (PNC 21.601-606) to address identified deficiencies in: <ul style="list-style-type: none"> - Penalties - Coverage - Definitions - Protections 	8	5	VOCA, Attorney General, Ministry of Justice (Advocates); OEK (action)	No additional	Yr 2
	5.5.	Enact legislation to protect adult victims: <ul style="list-style-type: none"> - spouse abuse - elderly - disabled and others with special needs 	7.7	5	Same as 5.4	No additional	Yr 2
	5.6	Identify a strategy to provide “respite” measures for short-term protective housing of persons in need while more permanent arrangements are made by service providers.	8.5	5	Service providers (advocates)	Additional determined by strategy selected	Yr 2
5.3. Address the needs of the vulnerable – adolescents	5.7	Monitor implementation of the Palau National Youth Policy.	8.5	3	Ministry of Community-Cultural Affairs (Youth Services)	No additional	Yr 1-5
5.4. Address the needs of the vulnerable – senior citizens with special needs	5.8	Strengthen health and social outreach to seniors with the greatest need <ul style="list-style-type: none"> - Advanced age - Homebound - Isolated - At risk of abuse or neglect 	8.2	5	Ministries of Health & Community-Cultural Services	Some additional to be determined	Yr 1

Strategy	Action #	Action	SID Rank (1-10)	Priority Rank (1-5)	Responsibility	Cost	Timing
	5.9.	Strengthen prevention-oriented health services for senior citizens	9.0	4	Ministries of Health & Community-Cultural Services	Some additional to be determined	Yr 2
	5.10	Identify strategies to improve end-of-life care for elderly and terminally ill (of any age) that can realistically be financed by a combination of government, community, and family resources <ul style="list-style-type: none"> - Community based hospice-like care and/or - Long-term care facilities 	8.2	4	Ministries of Health & Community-Cultural Services	Additional determined by strategy selected	Yr 2-5

2. Introduction

19. This working paper is one of a series produced by PINZ, a consultant firm engaged by the ADB under the ADB-ROP Facility for Economic and Infrastructure Management Project. Collectively, the papers in the series propose economic policies and institutions needed to improve national development on a sustainable basis over the medium-term (FY 2009-2013). Sustainable national development is defined as:

a sustained and widespread improvement in general standards of living while preserving the cultural and environmental values of the people of Palau.

20. This paper focuses on vulnerable populations.⁴ These populations are broadly characterized as: (a) persons who have special needs due to physical or social characteristics; and (b) persons experiencing economic hardship. For each population, the paper compiles what information is available to enumerate and describe the population and identifies existing services that address their special needs, as well as gaps in these services.

3. Populations with Special Needs

21. During consultations with service providers, several populations were identified as having special needs due to their social or physical characteristics. These are: (a) persons with disabilities and other special health care needs; (b) adolescents; (c) women and children who are victims of abuse or (in the case of children, neglect); (d) certain other categories of women who are under stress; and (e) certain categories of elderly.

3.1 Disabled

3.1.1 The Law

22. The Constitution (Article 4.5) designates the disabled as a vulnerable group entitled to special consideration by government.

“...The government shall take no action to discriminate against any person except for the preferential treatment of citizens, for the protection of minors, elderly, indigent, PHYSICALLY AND MENTALLY HANDICAPPED, and other similar groups...” (*Constitution Article 4.5, emphasis added*).

⁴ In a consultative meeting, service providers suggested the term “persons with special needs” be used instead of “vulnerable groups.” Providers felt that “vulnerable groups” carries a negative connotation in the Palauan socio-cultural context. Because “vulnerable populations” is a broader term used in the international community to include “special needs” populations and persons experiencing economic hardship, the decision was made to use “vulnerable populations” in this paper.

23. The Handicapped Children’s Act of 1989 (PNC 22.4) obliges the national government to:

“...provide education services to all children to enable them to live fulfilling and productive lives...(and) to provide full educational opportunities and necessary support services to each handicapped child in order that the child acquires the skills and knowledge necessary to lead a fulfilling and productive life as a citizen of the Republic“ (PNC 22.4).

24. The Act also: (a) designates “mainstreaming” as the strategy of choice for delivering services to the disabled; (b) establishes the Interagency Task Force on Children with Special Needs;” (c) stipulates that if Federal funds for special education services phase-out, the OEK will appropriate replacement funds from local revenues that are at least equivalent to those of the previously year’s allocation or will increase allocations in the same proportion as the budget for the entire Ministry of Education.

3.1.2 Defining and Enumerating the Disabled

25. There is no definitive count of Palau residents who live with full or partial disabilities, nor is there a nationally accepted definition of “disabled.” For purposes of this paper, persons with disabilities and other special health care needs include:⁵

- a. 342 children and school-aged youth served by the Ministry of Health’s “children with special health care needs” program, of which 189 (as of June 2008) are also served by the Ministry of Education’s Special Education program;
- b. 340 persons with a mental or behavioral disability (mental retardation, mental illness, or chronic substance abuse) who receive services from the Division of Behavioral Health (Ministry of Health);
- c. 365 totally disabled adults (homebound, wheelchair bound, or blind) who receive a government disability pension through the Ministry of Community and Cultural Affairs;
- d. 51 totally disabled adults who receive a disability pension through the Social Security Administration;
- e. An unknown number of other adults and children who are fully or partially disabled but have not applied for or do not qualify for existing government assistance programs.⁶

3.1.3 Available Services and Funding

26. **Infants, Children, and Youth.** All births occur at Belau National Hospital where newborns are screened for physical or mental disabilities, including hearing loss and five

⁵ The client registries for children with special needs and behavioral health include all clients who need ongoing medical, nursing, or case management support. The range of disabilities extends from those with relatively minor impairments to those who are home-bound.

⁶ Persons who are eligible for pension fund or social security fund payments are ineligible by statute for payments from the Disability Fund.

potentially disabling genetic conditions. (Genetic screening is conducted in partnership with the University of the Philippines). Screening continues throughout the well-child visitation schedule

so that by age 36 months, when young children complete all their required immunizations, most physical and mental disabling conditions have been identified.

27. Children identified as having chronic disabilities requiring long-term management are referred to a high risk pediatric clinic for medical follow-up and to an inter-agency team for case management. The interagency team is comprised of representatives from the Bureau of Public Health, the Division of Behavioral Health, Physical Therapy, Outpatient Clinic, Head Start, Special Education, and the Palau Parent Network.⁷ The goal of the team is to provide comprehensive services that will reverse, treat, and/or manage the disabling condition and help the child to live as normal a life as possible. Health services for these children are provided a nominal cost (USD1 per outpatient visit and USD3 per prescription). Should the child require off-island medical care, these services are provided through the normal medical referral program under which the family is required to pay 55 percent of the medical costs in addition to transportation charges. (Some disabled children do qualify for the Tripler Army Hospital referral program under which medical services are provided without charge to the patient or the government).
28. For children with severe disabilities, special education interventions may begin almost from birth. For most children, however, enrollment in the Ministry of Education's Special Education program begins with their entry into preschool (Head Start or one of three private preschools or kindergartens) or elementary school. Special Education staff, teacher(s), and parents work together to prepare an Individualized Educational Plan for the child that identifies all the special services required to manage the child's condition. These services may include: special education services for all or part of the school day; transportation; physical and occupational therapy; assistive devices; and family counseling and support. Although mainstreaming is the strategy of choice, a small number of children (15 as of June 2008) require separate or home services. All special education services are provided without charge to the child and his/her family.
29. Not every disabled or special care child is identified in the early years. Older children will be identified by their teachers as needing special health or education services; many of these children have emotional or behavioral health issues. The leading causes of disabilities in older children (MOH data) are:
 - Attention deficit or hyperactivity disorder;
 - Parent-child relational issues; and
 - Learning disability.
30. Other children in need of special services will be identified by the Bureau of Public Health in the annual school health screenings. All children enrolled in grades 1, 3, 5, 7, 9, and 11 are screened each year for acute and chronic conditions including: overweight or underweight, vision and hearing problems, pre-diabetes, pre-hypertension, tobacco or alcohol dependency, reproductive health issues, and behavioral health issues. These

⁷ The Palau Parent Network is a registered NGO. Its membership is comprised of parents of children with special needs. It advocates for services for these children and provides social support for parents and other family members as they learn to address the needs of their special care child.

screenings typically identify a large number of children in need of additional services although only a small sub-set will be registered as “children with special needs” requiring long-term care and case management. During the 2006 school health screening, 757 children were referred for further screening and/or treatment.

31. Health and education services for children with special needs are funded almost entirely by U.S. Federal grants. Current funding available for services to children with special care needs is USD1.3 million (m) derived from four U.S. Federal Grants: Special Education (USD1.0m); Special Health Services (USD0.140m); Newborn Screening (USD0.083m) and Interagency Task Force (USD0.095m). This sum is equivalent to about USD3,800 per registered child. Except for a small in-kind match, no local funding is specifically allocated for services to disabled children.
32. **Persons Disabled Due to Mental or Substance Abuse Conditions.** There are currently 340 persons on the Behavioral Health registry who are fully or partially disabled due to mental illness, mental retardation, alcohol-drug use, or a combination.
33. The Behavioral Health Division of the Ministry of Health has two primary objectives: (a) identification of persons with mental and behavioral disorders, treatment, rehabilitation, and re-integration into society; and (b) prevention of mental and behavioral disorders. Services that address the needs of persons with disabilities include: inpatient services for crisis management;⁸ outpatient counseling and drug therapy; and a day respite program for structured supervision of persons that require continuous care. In addition, the Division also provides community education services to reduce the stigma of mental illness and prevent discrimination. Prevention-oriented services include: community, school, and workplace interventions that promote good mental health and teach stress management; counseling and crisis intervention services; and prevention of tobacco and drug use and alcohol abuse.
34. The budget for the Division of Behavioral Health averages USD800,000 per year of which 12 percent derives from local OEK appropriations and 88 percent derives from U.S. Federal grants.
35. **Fully Disabled Adults.** Under 34 PNC 8503, adults who are fully disabled (house-bound, wheelchair-bound, or blind) and who do not receive benefits from Social Security or the Government Pension Plan may be eligible for a monthly stipend from a Government's Disability Fund.⁹ Currently the fund serves 365 persons (45 percent of approximately 800 applicants to-date). Persons who are totally disabled and homebound receive USD70 per month; persons who are wheelchair bound receive USD50 per month. The FY 07 budget was USD200,000. The FY 2008 budget is USD190,000. An additional 51 totally disabled adults receive stipends from the Social Security Administration.
36. At present, the single staff member employed by the Disability Fund has little capacity (human or financial resources) to do more than process applications, monitor expenditures, and distribute the monthly checks. If additional resources were available,

⁸ There is no long-term inpatient care for the mentally ill. The goal of inpatient care is to stabilize the patient and re-integrate him or her within their family.

⁹ The Fund was established in 1987. Funding was intended to derive from a Virtual Pachinko Business authorized under separate legislation. This business has not been established so general revenue allocations are made to the Fund through the normal budgetary process.

MC&CA would develop a more comprehensive program with the Disability Fund Office becoming the focal point and advocate for the disabled in the community. Accordingly, the strategic plan for the office calls for:

- Comprehensive assessment of the needs of the disabled; and
- Integrated program planning focused on improving the quality of life of the disabled.

37. **Other Fully or Partially-Disabled Persons.** The World Health Organization estimates that 10 percent of most populations will have some type of disability. Based on this “rule of thumb” and considering the 1,098 disabled persons already registered for special services, there are probably 350-400 unregistered Palauans with a disability who are not receiving special government services.¹⁰ Most of these persons are adults since the public health coverage and registration for disabled children is virtually universal.

3.1.4 Issues and Gaps in Services

38. There are several issues with respect to services for the disabled.

- **Enumeration and Needs Assessment.** There is need for more definitive information about the number of persons who suffer from disabilities and their service requirements. The addition of a question about persons suffering from disabling conditions to the census would help provide baseline information about the number of disabled, their location, and basic bio-data.
- **Coordination.** Services for children with special needs are well coordinated through the inter-agency task force that provides seamless and comprehensive services from birth through to adulthood. The limited services available for adults who are disabled are not equally well coordinated. Coordination could be improved by (a) expanding the mandate of the inter-agency task force or (b) creating an interagency task force specifically for adults.
- **Transition to Adulthood.** Services for children are comprehensive and affordable but there are few services available for adults. Service providers identify a need for better transition planning for children as they approach adulthood and for ongoing support services throughout life for those with severe disabilities.
- **Integration into Social and Economic Life.** Palau has done a lot in recent years to recognize the rights of the disabled and to promote inclusion. For full integration into society, however, the disabled need to be contributing members of their family. For some, this contribution is best made at home but for others, there need to be more opportunities for employment in the form of: (a) a sheltered workshop that will assist the severely disabled to be economically productive; and (b) a larger number of employers willing to give jobs to the disabled. These needs were formerly addressed by the Federally-funded Vocational Rehabilitation program, but this program was phased out at initiation of the COFA. While the program was continued with local

¹⁰ The 10 percent “rule of thumb” for projecting the population of disabled is only applied here to the ethnic Palauan segment of the population. Because most non-Palauans are “guest workers” the visa application and screening process will preclude entry of significantly disabled non-Palauans.

funding for several years after termination of Federal funds, it has subsequently disappeared.

- **Sustainability.** Except for the \$190,000 allocated for the disability fund (FY 2008), virtually all other funding for services to the disabled comes from U.S. Federal grants. Although the law (PNC 22) commits the OEK to replace Federal funds for Special Education on a dollar-for-dollar basis, the reality is that in a financial “crunch” it may be difficult for government to live up to this pledge. There is no comparable pledge to guarantee funding for special health services.

To begin to build sustainability, government may wish to identify “core” services that must be sustained irrespective of changes in the macro-economic climate and allocate at least a small amount of local funding for these essential activities while using U.S. Federal funds for supplementary services (especially activities that build institutional capacity) for as long as these funds are available.

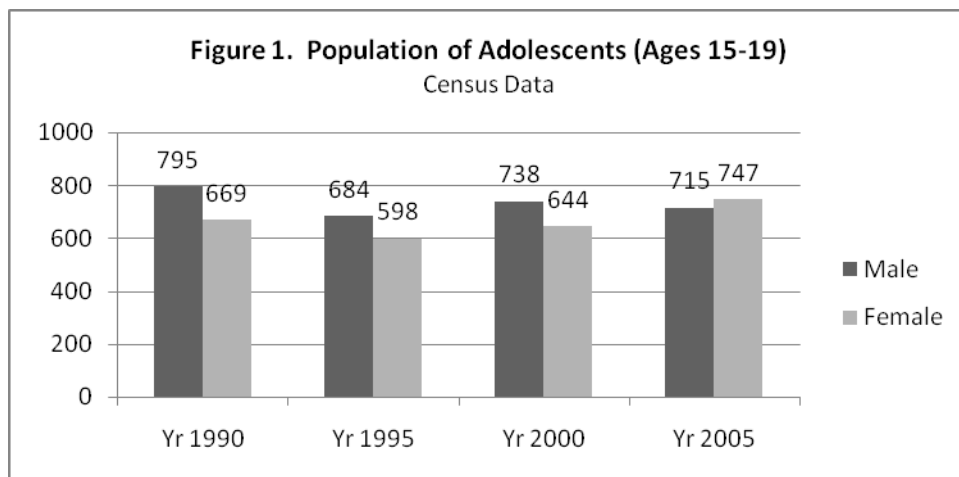
3.2 Adolescents

39. Social service providers identify adolescents as an age group with special needs. This group is particularly vulnerable to a range of social problems including:

- Tobacco, alcohol, and drug use;
- High risk sexual behaviors;
- Depression, suicide ideation, and suicide;
- Substandard educational performance leading some to drop-out of school; and
- Unemployment (if not in school).

3.2.1 Defining Adolescents

40. The Palau National Youth Policy (2005) defines “youth” as persons 15-34 years of age but “adolescents” are clearly a sub-set of this larger population. For the purpose of this paper, “adolescents” are defined as persons 15-19 years of age which roughly corresponds with the high school years (Figure 1).

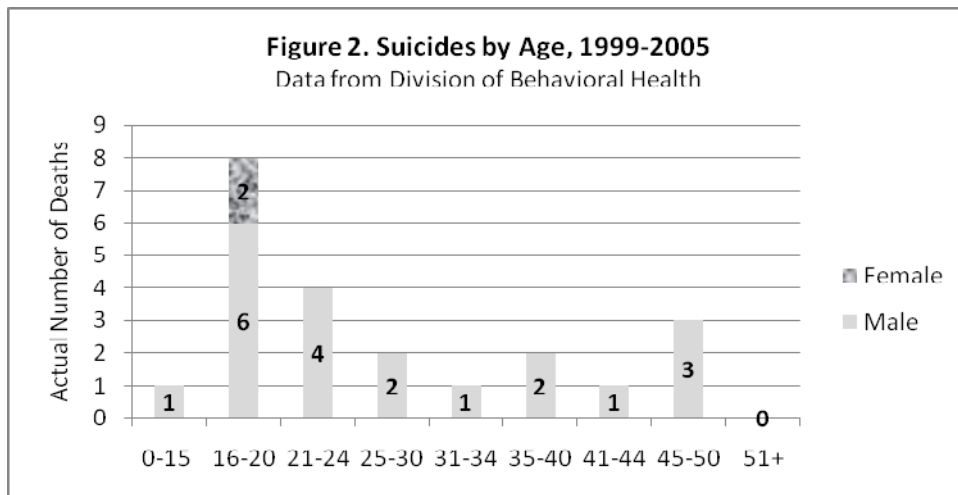


41. Based on the 2005 census, there were 1,462 adolescents resident in Palau of which 88 percent (1,285) were Palauan and 12 percent (177) were non-Palauan. 81 percent of adolescents lived in Koror-Airai; 16 percent lived in rural Babeldaob; and 3 percent lived in the outlying islands. 83 percent (1,208 persons) of adolescents were enrolled in school, 157 in elementary school, 907 in high school, and 144 in college. School enrollment was slightly higher for females (86 percent) than for males (80 percent). Only 3.3 percent of adolescent males and 1.7 percent of adolescent females were employed full-time. For these adolescents, their median income was USD4,500 (females) and USD4,900 (males). For youth not in school and actively seeking work, the unemployment rate was 27 percent, seven times the population average.

3.2.2 Vulnerability of Adolescents

42. Data that describe the special vulnerability of adolescents derives from various sources. One of the best sources is the Youth Risk Behavior Survey, a survey that has been administered to Palau High School students every two years since 1999. Selected results from survey data are presented in Table 3.
- Many students (64 percent) are not physically active and 25 percent are either overweight or at risk of becoming overweight.
 - Smoking and smokeless tobacco use are high, although there has been some decline recorded over the YRBS series.
 - Most students have drunk alcohol, and a significant number have recently engaged in binge drinking. All indicators for alcohol use, however, show a downward trend;
 - Marijuana use rates are high without a clear trend evident.
 - Although the proportion of students who report use of other illegal drugs is small, the fact that these drugs are available in the community is cause for serious concern.
 - Half of students report that they recently rode in a car with someone who had been drinking.
 - There is a high level of violence in intimate relationships and a high prevalence of coercive sexual intercourse.
 - Depression rates are very high as are rates of suicide ideation and suicide attempts. As an age group, adolescents are at greatest risk of completed suicide (Figure2).
 - The proportion of students who have been sexually active has declined but among those who are sexually active, only half report condom use.

Table 3. Selected Indicators of Vulnerability					
Youth Risk Behavior Survey (YRBS) Series, MOE & MOH					
% of Students who.....	YRBS 1999	YRBS 2001	YRBS 2003	YRBS 2005	YRBS 2007
Physical Activity and Weight					
Physically active for 60+ minutes on 5 of past 7 days				27.9	36.0
Watched \geq 3 hours of TV on average school day	37.3	36.2	31.9	29.6	31.9
Participated in PE class at least once a week	46.3	36.5	41.7	40.1	45.4
Reported being at risk of overweight	12.2	14.6	14.9	11.1	15.4
Reported being overweight	9.7	15.5	15.5	10.6	11.3
Tobacco, Alcohol, Illegal Drugs					
Smoked during past 30 days	N/Av	38.6	38.6	37.0	37.6
Used chewing tobacco, snuff, dip in past 30 days	49.3	40.8	40.9	41.1	37.3
Reported ever having drunk alcohol	71.5	73.3	74.1	62.2	64.3
Drank during past 30 days	39.3	47.8	51.2	40.1	36.0
Engaged in binge drinking during past 30 days	23.2	30.4	34.0	26.5	23.3
Used marijuana in past 30 days	32.7	25.3	33.9	28.1	38.5
Lifetime use of methamphetamines	10.1	13.9	8.9	9.2	7.1
Lifetime use of ecstasy	N/Av	N/Av	3.7	6.5	6.9
Lifetime use of steroids	4.9	7.5	4.7	6.7	5.3
Lifetime use of illegal drugs by injection	3.0	6.8	3.6	5.6	5.1
Injury and Violence					
Drove with someone who had been drinking in past 30 days	43.0	52.4	53.2	50.2	49.8
Drove while drinking	12.9	20.8	19.6	14.7	16.1
In a physical fight in past 12 months	31.3	29.7	29.6	28.0	27.0
Physically assaulted by boy/girl friend	14.8	11.9	11.2	12.7	13.7
Physically forced to have sex against their will	N/Av	10.8	14.2	14.8	21.0
Depression, Suicide, Sexuality					
Reported symptoms of depression	43.8	43.5	43.6	40.5	37.1
Considered suicide in past 12 months	27.3	29.3	27.3	30.4	28.9
Attempted suicide in past 12 months	3.9	5.8	5.5	8.8	10.2
Have had sexual intercourse	45.4	47.6	41.6	43.8	39.4
Had sexual intercourse in past 3 months	30.2	28.7	35.5	30.0	36.3
Used a condom at lasts intercourse	51.9	35.8	44.6	52.3	49.4



43. On a positive note, pregnancy rates for teens have dropped dramatically. In the 1980's and early 1990's, 18-20 percent of births were to teenage mothers. Today, 5-8 percent of births occur to teens, almost all older teens aged 18-19 years (*MOH data*). This is reflected in declining fertility rates for this age group (87 births per 1000 girls in 1990 down to 33 births per 1000 girls in 2005, census data).
44. Adolescents are also educationally vulnerable. The 2005 census shows 17 percent of adolescents are not enrolled school, although undoubtedly some of these non-participants had already completed high school and opted not to continue to post-secondary levels. The census also shows that almost 40 percent of ethnic Palauan youth (aged 18-24) do not have a high school diploma, indicating that a large number of young people are not obtaining the basic educational qualification required for work at a living wage in the modern economy.
45. Ministry of Education data show that drop-out rates and repetition rates are highest for 9th and 10th grade students. At Palau High School, attrition between the freshman and senior year has ranged between 30-50 percent in recent years. This represents a huge number of young people whose lack of an educational credential may result in life-long social and economical marginalization.
46. There are no recent studies on reasons that students drop-out. A 1996 study found that the immediate reasons given by students who had left school were: laziness (19 percent); housing (15 percent); pregnancy (10 percent); and a variety of miscellaneous social and behavioral problems. Ninety percent of parents were unhappy about their child's decision to leave school but few had taken concrete steps to help students identify and overcome the problems leading to withdrawal. Teachers were also asked for their opinion. They cited as reasons for drop-out: lack of parental support (27 percent); housing and financial difficulties (24 percent); lack of motivation (23 percent); lack of discipline (15 percent); and excessive absenteeism (12 percent). Irrespective of the immediate factor, an overwhelming majority of teachers (80 percent) felt that lack of parents support was the main contributing factor (*M. Gordon, 1996*). Today, ineffectual support by parents or guardians remains the most commonly cited factor contributing to academic and disciplinary problems among adolescents (*PHS Teachers, 2008*).

47. Disciplinary problems abound in most schools - public and private. Below is an extract from a recent petition signed by 45 out of 65 Palau High School teachers addressed to the Ministry of Education and the political leadership:

“... Delinquent behaviors appearing to have their roots from home are contributing greatly to students’ apathetic attitude toward school and blatant mischievous and belligerent behaviors and actions against other students and school staff. Teachers are overwhelmed with (the) need to deal with behavioral problems (so) that less and less concrete learning occurs in classrooms. Delinquent behaviors easily exhaust teachers... What does the government and the general public want us to do with students caught smoking, intoxicated, doped with marijuana, engaging in sexual intimacy, engaging in assault and battery or chronically skipping classes and going off-campus during school hours? What does the government and the general public say regarding students promoted to freshmen but their reading, writing, and comprehension... skills are lower than grade nine? What does the government and the general public want us to do with students whose parents are too busy or ignorant of their parental responsibilities that they fail to provide necessary parental support to enable their children to attain learning?...” (*PHS teacher petition, April 2008*).

3.2.3 Current Services

48. There are several programs addressing adolescent issues. In health, they include:
- STUN (Stop Tobacco Use Now) focusing on anti-tobacco promotion;
 - SIG (State Incentive Grant) focusing on prevention of under-aged drinking;
 - Adolescent Health Collaborative, a joint initiative of the Ministries of Health and Education to make counseling and other social support services available in all schools;
 - HIV-AIDS school prevention program that uses youth-to-youth approaches, including a network of peer mentors, to promote responsible sexuality.
49. In education, there are four Federally-funded supplementary education programs (Talent Search, Upward Bound, Upward Bound Math and Science, and Gear-Up) that identify at-risk students and provide them with academic enrichment, counseling, and other support to increase their chances of success in high school and in college.
50. The Ministry of Justice has developed the *Omengull ma Okurulel Klechad* (OOK) Program that includes: Law Enforcement Explorers’ Program (LEEP) in elementary schools (focus on discipline and ethical behavior); after school drop-in center; and student mentoring program. Sports federations affiliated with Palau National Olympic Committee offer many athletic trainings and competitions for adolescents. Most of the state governments also have youth programs, although only Koror and Airai States have professionally staffed youth service bureaus. Many of these programs have been positively evaluated and have generated clear-cut success stories, but yet, social problems in the schools among adolescents seem to be worsening. Certainly the various programs help but it may be they are not hitting at the root of the problem which seems to lie in parenting styles, family and societal relations, and social change.

51. Students at the 2008 youth rally asked for more parental involvement in their lives and participants at the 2008 UNICEF Symposium on the Situation of Children, Youth, and Women signaled out “busy parent – busy child” syndrome as lying at the heart of many of the problems affecting today’s adolescents. They called on individual parents to make more time for their children, on families to develop traditions about spending time together, and on civil society to take action to bring families together.

3.2.4 Issues and Gaps in Services

52. In 2004, through Executive Order, the President appointed a Youth Policy Committee, responsible for identifying the most important issues affecting youth and preparing a strategic plan of action. The ensuing policy, adopted by the OEK in 2005, has two overarching goals and ten strategic areas (Table 4). Responsibility for implementing the policy is spread throughout government and civil society. Responsibility for monitoring implementation is vested in the National Youth Office within the Ministry of Community and Cultural Affairs assisted by the Youth Policy Committee, under an expanded mandate that includes implementation, and the Palau National Youth Congress. Neither the committee nor the congress is active at present and the National Youth Office has limited capacity to carry out this work unassisted.

**Table 4. Palau National Youth Policy, 2005
Ministry of Community and Cultural Affairs**

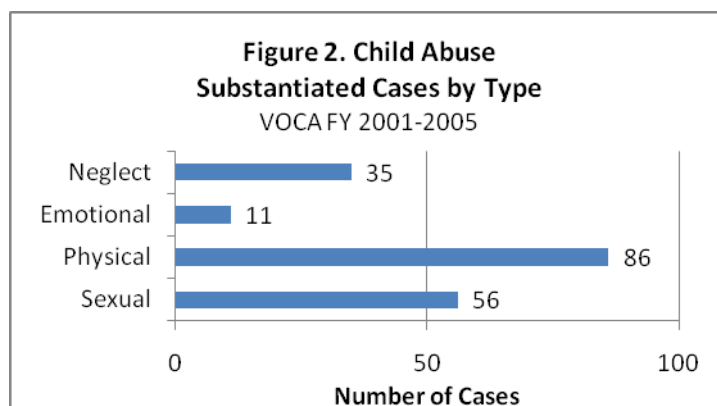
Goals.	
<p>1. Youth must be empowered to become productive and contributing members of the community.</p> <p>2. A system must be created where the right to access quality public services and sharing of national resources is maximized for young Palauans.</p>	
Policy Area	Strategies
1. Youth and nationalism/patriotism.	<p>1.1. Ensure understanding of the Palau Constitution.</p> <p>1.2. Ensure understanding and preservation of culture and traditions.</p> <p>1.3. Facilitate appreciation, loyalty, and love for the environment and Palau's natural heritage.</p> <p>1.4. Strengthen character education.</p> <p>1.5. Review tradition of "community parenting" where everyone feels a sense of responsibility to guide children and youth.</p>
2. Youth and health	<p>2.1. Develop strategies for physical fitness.</p> <p>2.2. Develop strategies to strengthen mental health with special attention to substance abuse, depression, and suicide.</p> <p>2.3. Strengthen sexuality education.</p> <p>2.4. Address spiritual health.</p> <p>2.5. Ensure safety of children and youth.</p> <p>2.6. Ensure that health services are available and accessible to youth.</p>
3. Youth and education	<p>3.1. Maximize attendance at school.</p> <p>3.2. Ensure that high school graduates are "workforce ready".</p> <p>3.3. Strengthen character education and promote nationalism, culture, and the Palauan language.</p>
4. Youth and Employment	<p>4.1. Strengthen role of family, school, community, and community leaders in educating youth on value of work, work ethic, and industriousness.</p> <p>4.2. Strengthen career counseling.</p> <p>4.3. Increase employment opportunities for youth.</p> <p>4.4. Develop schemes to promote entrepreneurship.</p> <p>4.5. Address gender issues in the workplace (sexual harassment, maternity leave, equal pay, promotion and training opportunities).</p>
5. Youth and Justice	<p>5.1. Develop a program to address issues of youth in conflict with the law.</p> <p>5.2. Provide legal education for the public.</p> <p>5.3. Create separate detention facilities for juveniles.</p> <p>5.4. Strengthen rehabilitation programs.</p> <p>5.5. Create positive alternative programs to keep youth away from criminal behavior.</p>
6. Youth and Sports	<p>6.1. Promote drug-free sports.</p> <p>6.2. Promote fair competition and good sportsmanship.</p> <p>6.3. Strengthen teamwork</p> <p>6.4. Promote pride and responsibility in representation.</p> <p>6.5. Teach and promote concept of benefit sharing as a direct outcome of participative contribution.</p>
7. Youth Participation in National Development	<p>7.1. Teach and promote concept of benefit sharing as a direct outcome of participation.</p> <p>7.2. All 8th graders to adopt a community project.</p> <p>7.3. Youth organizations to take an active role in preserving the environment.</p> <p>7.4. Youth organizations to identify and restore national heritage.</p>

Policy Area	Strategies
8. Youth and Their Voices	8.1. Create mechanisms for youth to voice their concerns at state and national levels. 8.2. Strengthen support and participation of national and state leaders in youth activities. 8.3 Strengthen state and local youth organizations.
9. Youth and Participation	9.1. State governments to ensure participation of young people in development activities. 9.2. Develop mechanisms to ensure youth participation in discussions on appropriation of national resources.
10 Youth and Culture & Arts	10.1 Strengthen Palauan language and culture instruction in schools. 10.2 Use all available forms of communications to inform, teach, and share Palauan culture and arts. 10.3 Maximize use of cultural facilities. 10.4 Maximize use of cultural human resources – Society of Historians, Chiefs, and community leaders.

3.3 Victims of Domestic Violence, Abuse, and Neglect

3.3.1 Child Victims of Abuse and Neglect

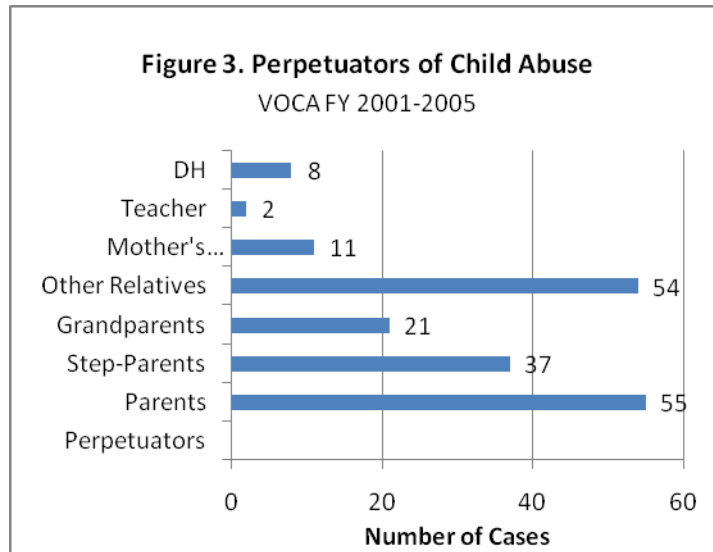
53. There is no recent descriptive or analytic information about child abuse and neglect other than a count of cases reported to authorities. Previous research was conducted in 1991, 1992, and 1996 but is of dubious value after a decade of tumultuous social change (see text box on the page following).



54. Palau's Child Abuse Law (21 PNC 601-6): (a) defines abuse and neglect; (b) designates health and education personnel with mandatory obligations to report actual or suspected cases to the Director of Public Safety; (c) requires police investigation within 48 hours following receipt of a complaint; (d) suspends the normal privileges of communications between spouses and doctors-clients in matters relating to abuse; and (e) provides for criminal penalties upon conviction ranging from fines of USD500-USD5,000 and/or imprisonment of up to five years.

55. There are three government agencies responsible to intervene in suspected cases of abuse or neglect: (a) Public Safety, the agency that receives and acts on initial reports; (b) the Office of the Attorney General that investigates allegations to determine if there is sufficient evidence to bring charges; and (c) VOCA within the Ministry of Health that provides social work and counseling services to remediate the situation. Although the law designates mandatory reporting of suspected cases by certain categories of people (including health workers and education personnel), in consultations for this paper, it appears there is still reluctance even on the part of these designated people to report

cases. This is not surprising in a close knit society where everyone is inter-related and confidentiality is suspect.



56. In recent years, there has been an average of 40-45 cases of suspected child abuse and neglect reported to VOCA each year of which 94-100 percent of reports are typically substantiated on investigation (Figures 2 and 3). Physical abuse is the most common form of abuse, followed by sexual abuse. The overwhelming majority of perpetrators are resident in the child's immediate household (64 percent) or are other close relatives (29 percent).

Child Abuse and Neglect Research Findings

There have been three research studies that investigated child abuse and neglect in Palau. The first study was carried out in 1991 by the Ministry of Health and Palau Community Action Agency. It identified an emerging problem of sexual and physical abuse but sampling methods prevented researchers from estimating prevalence in the community (*MOH & PCAA, 1991*). A study in 1992 by the Micronesian Seminar did not try to estimate prevalence but to understand the situations that put children at risk. The study found that adopted children and step-children were at greatest risk, although the risk seemed to arise primarily when the residential family came under stress as a result of death, divorce, or severe economic hardship (*Micronesian Seminar, 1992*). A 1996 study aimed to derive a community definition of abuse and neglect. The study found that most Palauans were comfortable with physical discipline but not if it resulted in injury or served as an outlet for the anger of the adult. In responding to scenarios, Palauans defined severe abuse as "abuse" in similar proportions to other cultural groups but there was less consensus about what constituted mild or moderate abuse (*Futterman, 1997*).

57. Over the past year (2007-2008) there have been several particularly horrific cases of sexual abuse reported in the press. These reports lead many to wonder if the process of social change has resulted in an actual increase in the number of cases or if the apparent increase is an artifact of reporting. Service providers seem to generally believe that the cases reflect increased awareness about children's rights and greater willingness to report cases to authorities rather than deal with them through customary channels as in the past.

58. Although sexual abuse is included under the child abuse statute, other statutes may also apply, some of which carry higher penalties including laws against rape, sodomy, carnal knowledge, incest, and indecent assault (17 PNC 2802-2806). Deficiencies in the current Child Abuse Law have been identified and amendments proposed to: (a) designate a child ombudsman who will focus on the best interests of the child; (b) make provisions for removing the child from an alleged abusive situation pending the outcome of investigation; (c) require counseling and rehabilitation services for both the victim(s) and the perpetrator(s); and (d) require judicial review to protect the interests of the child prior to a perpetrator being released from prison.
59. ***Issues in Child Abuse and Neglect.*** First, the current law is deficient. Penalties are weak and procedures for protecting the best interests of the child inadequate (see *preceding paragraph*). At present the law does not address exploitation of children through electronic imaging (sexually explicit photographic or computer images). While there are anecdotal reports of such cases, no cases have actually been filed in Palauan court. There have been enough cases, however, in neighboring Pacific jurisdictions to suggest there is some urgency in creating an appropriate statute.
60. Second, there is lack of a community consensus on what constitutes abuse and neglect. With social change, this is starting to create problems in determining whether cases should be defined and judged under Palauan tradition or under western standards. A recent case involving a Palau High School teacher has brought this issue to the forefront of attention. Her colleagues at the school had this to say:
- “Legal issues concerning appropriate customary practices need to be addressed to avoid a customary discipline carried out appropriately and in good faith by a school staff from becoming a ground for lawsuit. At a cross road, which way or what new compromise should we take? A typical Palauan teacher will most likely behave, act and respond to a situation as a Palauan. To simply adopt a western philosophy and legal outlook without considering our heritage and cultural values creates ... problems ... which ... are very destructive. A teacher cornered on both sides (will) likely find the safest position even if this means ignoring a student in need or telling him/her to “get out of my class...” (*PHS Teachers in a petition to government, April 7, 2008*).
61. Third, the system of protecting children (and women) victims is weak. The courts can issue a restraining order prohibiting contact between the child and the alleged abuser while an investigation is carried out, but this is widely perceived as inadequate. Service providers recognize that there is need for a safe temporary shelter for these children while more permanent arrangements are being made. While the cultural system requires the maternal uncle, and failing his intervention, the clan leader, to intervene and provide protection, these traditional remedies are not always available.¹¹ Too, multi-generational abuse is a recognized phenomena both in Palau and internationally so some caution is needed to insure that the best interests of the child are being considered in any new residential arrangements whether temporary or permanent.
62. The Ministry of Health (VOCA and Behavioral Health) did obtain a U.S. Federal grant in the 1990s to establish a shelter but the shelter did not survive the demise of that particular

¹¹ Service providers report a small but growing number of cases in which the extended family has refused to help or has told the victim (of domestic violence) to “go back and be a good wife.”

grant. While most service providers are focusing on the need for a Ministry of Health-run free-standing shelter, given the expense and relatively small number of cases over the course of a year, an alternate (cheaper) strategy is to develop a network of trained volunteers willing to take children (and battered spouses with children) into their homes for a temporary period (e.g. 48-72 hours) while social workers and the courts figure out a more permanent arrangement within the child's extended family.

63. Fourth, other than the salary of one VOCA staff, there is no financial allocation to address the needs of abused or neglected children. When cases are identified that require some expenditures, intervening officers often meet the costs from their own personal resources or rely on charitable contributions. Some modest allocation to the VOCA program beyond salary would be helpful.

3.3.2 Adult Victims of Domestic Violence

64. In a typical year, domestic violence cases reported to VOCA outnumber child abuse-neglect cases by a ratio of 2:1. On the average, 90 domestic violence cases are reported each year of which 17 percent require protective shelter arrangements. In almost all cases, the perpetrator is a family or household member. For the period 2001-2005, in 73 percent of cases the perpetrator was the husband or live-in boyfriend of the victim. In 10 percent of cases the perpetrator was an adult son or daughter.
65. There is no legislation in Palau that specifically addresses domestic violence. When charges are brought, various sections of the national legal code may be used to press charges. Again, the major need identified by service providers is a temporary shelter to provide crisis care while investigations are conducted and legal processes pursued.

3.4 Other Women with Special Needs

66. In general, women in Palau are not a vulnerable or disadvantaged group. Palau is a matriarchal and matrilineal society where women have traditionally held positions of power and respect in a spirit of equality with men. Although the roles and responsibilities of men and women differ, these are the differences of a dominant-subordinate relationship but rather a duality in which each gender provides support for the other. Traditionally strong and equal, Palauan women lost ground during the first half of the 20th century as paternalistic colonizers undermined their authority, revoked their property rights, and relegated them to subordinate roles in modern institutions. In the 1950's Palauan women began to reassert themselves and to re-claim their former equity, respect, and prominence in decision-making while simultaneously addressing contemporary social and economic issues.
67. Contemporary Palauan women are better educated and enjoy better health than their male counterparts. While less likely to participate in the formal labor force than men, when employed on a full-time basis, women earn substantially more than men. Women are guaranteed equality of opportunity under the Palau constitution, have equitable access to capital, and assume an active role in economic and social life. In public life, women dominate the Judiciary but are woefully under-represented in the OEK, the cabinet, and the top echelons of the civil service. While women leaders are concerned about the invisible barriers that have kept them out of top leadership positions, ordinary women are

more concerned about the daily stresses they face in “holding up the sky” in the face of multiple roles in the home, the economy, the clan, and the community.

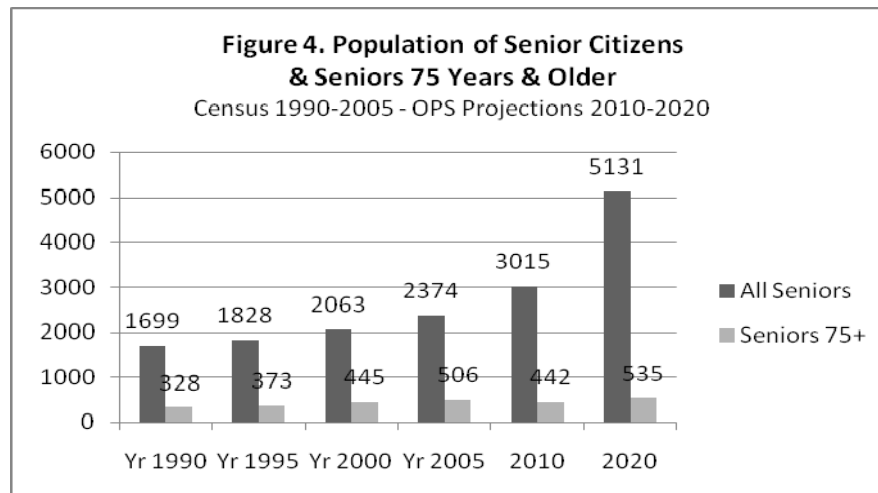
68. In consultations preparatory to this paper, service providers identified pregnant women, single mothers, and women caregivers of the chronically ill as three categories of women with special needs. The census shows that 26 percent of households are headed by a woman (without a husband present), up from 20 percent in 1990, but does not indicate how many of these women bear sole responsibility for dependent children. Other than anecdotal reports by service providers, there is no information about women caregivers.
69. Other than maternal and child health services provided through the Ministry of Health, there are no special services available for women with special needs. The Ministry of Community and Cultural Affairs has a Women’s Information Office (recently downgraded from a Bureau of Women’s Affairs) but the office has only one staff and no other funding. Women, however, are one of the target groups envisaged to be served by the proposed Office of Social and Spiritual Health (Bureau of Public Health) when this becomes operational (target October 2008). In keeping with the strategy of “communitizing” health, the office envisages professional social workers facilitating development of community-based support mechanisms for these groups of women as well as others who are stressed due to multiple roles, rising prices, and stagnating income.

3.5 Senior Citizens with Special Needs

3.5.1 Definition

70. “Senior citizens” are officially defined by the Administration on Aging (Ministry of Community and Cultural Affairs) to include persons 55 years of age and older. In 2005, there were 2,374 senior citizens resident in Palau, of which 87 percent (2,059) were Palauan and of those, 58 percent were female. Of the 506 seniors who were 75 years of age or older, 96 percent were Palauan and 68 percent were female. Since 1990, the population of senior citizens has been growing at twice the rate of the general population and the population of senior citizens over age 75 has grown at almost three times the rate of the general population.¹² The Office of Planning and Statistics projects continuing high rates of growth through 2020 (increasing to 5.3 percent per annum) but almost all growth is projected to occur among “younger” seniors. Virtually no change is projected in the population of seniors 75 years of age or older.
71. Younger seniors (ages 55-65) have high rates of labor force participation and are among the best educated and most affluent of Palau’s residents. By age 65, labor force participation and income levels start to drop, with seniors 75 years of age and older differing in educational and income level, economic activity, and family circumstances from their younger peers (Table 5).

¹² The general population has grown at an average annual rate of 0.9 percent; the population of seniors has grown at an average annual rate of 1.8 percent; the population of persons over the age of 74 has grown at the rate of 2.6 percent (census data).



	Age Group			
	55-59	60-64	65-74	75+
With dependent children (Ethnic Palauan seniors)	35%	26%	11%	5%
In labor force (% - all seniors)	67%	45%	25%	55%
Median household income (all senior-headed households)	\$20,189	\$20,547	\$16,250	\$12,440
Households earning < \$5,000 per year (all senior-headed)	12%	11%	15%	26%
Median income – males (all seniors)	\$8,641	\$8,308	\$6,379	\$3,554
Median income – females (all seniors)	\$7,111	\$6,176	\$3,875	\$2,000
Seniors with high school diploma	72%	53%	31%	7%

* Median income refers to seniors with income only

3.5.2 Current Services

72. The Ministries of Health and Community and Cultural Affairs serve seniors with special needs. At the Ministry of Health, seniors who are not employed (and whose spouse is not employed) pay only 5 percent of charges under the sliding fee schedule. Seniors who are homebound receive free home health services subsidized by a combination of local resources (for staff costs and supplies) and U.S. Federal Grants (transportation and other operational costs). These are not, however, comprehensive services. Clients and/or their families must still pay for medicines and other medical and personal care supplies.
73. The Ministry currently serves 700 home-bound clients, most senior citizens. Of this number, staff estimate 5-7 percent (e.g. 35 to 40 persons) are at risk of neglect or abuse by the family members responsible for their care (*Osarch, personal communications, 2008*). Neglect and abuse of seniors is a recently identified problem in Palau and one that is difficult to address given available resources and laws.
74. The Administration on Aging (Ministry of Community and Cultural Affairs) provides social and economic support services to seniors with priority to low-income seniors as follows:

- i. Services to meet basic needs of low income seniors
 - o Meals are provided at home and at senior centers (50 homebound seniors served three times a week and an average of 80 seniors served in the centers)
 - o Information and inter-agency referral (number served varies)
 - o Transportation service to the center and shopping (11,000 trips in 2006-2007)
 - o Senior centers that provide a venue for socialization and craft making
 - o Marketing outlet for crafts made by seniors
 - o Assistance with personal business (forms, banking, etc)
 - o Periodic needs assessments and support to the geriatric health program
 - ii. Maximize use of senior citizens skills and knowledge
 - o Provide employment for senior citizens (12 seniors served)
 - o Assist elderly in providing skills and knowledge to schools in Palau
 - iii. Plan and organize social activities
 - o Plan and organize the annual Senior Citizen Day observance (May 5)
 - o Plan and organize senior participation in arts and cultural observances.
75. Prior to independence these and other services were supported by U.S. Federal grants and programs were designed based on U.S. models. Federal grants for aging services terminated after independence. At that time, services were down-sized and continued with allocations from the OEK. The FY 2007 allocation was USD230,000, of which USD30,000 was distributed to state governments to operate senior centers and services and USD200,000 was retained for services in Koror-Airai area. Because of cash flow problems in government, the program periodically must rely on voluntary donations from the community to maintain continuity of services.

3.5.3 Strategic Issues

76. **Existing Services.** The Administration on Aging has developed a strategic plan that calls for:
- Equitable distribution of resources between the urban and rural states and improved rural programs;
 - Development of a National Senior Health Program that focuses on primary and secondary prevention of non-communicable diseases and their complications;
 - Improved information dissemination services using television and radio; and
 - Expansion of senior employment programs and integration of seniors in schools as cultural teachers.
77. To achieve these objectives, the Administration identifies the need for better inter-ministerial coordination and more funding.
78. **Emerging Needs.** To address the newly emerging issue of elder abuse and/or neglect, health service providers call for legislation that specifically addresses the issue and development of institutional services for seniors whose care needs exceed that which their families can provide.
79. **End-of-Life Care.** End-of-life care has been identified as a problem in that needs and norms are changing. More people are bringing their elderly and terminally ill relatives to

the hospital to die and this practice is using acute medical care beds needed by other patients. There is no plan or policy on how to address this issue although several ideas have been put forth for discussion including:

- Expansion of the medical ward to accommodate long-term care of seniors and others with chronic or terminal illnesses;
- Development of a step-down unit as a part of the hospital or community health centers;
- Development of a long-term care free-standing facility; or
- Development of a more comprehensive outpatient Hospice care program.

80. At present, there is no designated funding earmarked for any of these options. The least costly of the options is an expanded home health care program based on a Hospice model which provides educational, social, and material support to enable the terminally ill (of any age) to be cared for at home. While this would meet the needs of many seniors, it would not address the needs of those who are victims of neglect or abuse although in some cases, more support and education would help relieve caregiver stress and redress deficiencies in family care arrangements.

3.5.4 Sustainability and Adjustment

81. The funding clearly identifiable for senior services is that allocated to the Administration on Aging.¹³ A 12.5 percent macro-economic adjustment would result in a decrease from USD230,000 per annum to USD195,500 per annum. At present services are configured very much as they were when U.S. Federal grants terminated. The prospect of macro-economic adjustment may require that changes be made:

- To educate the entire community about issues affecting seniors;
- To re-evaluate and re-configure senior services to focus on issues and individuals with greatest need; to this end, consideration might be given to redefining “senior citizen” to include persons 65 years of age and older in the absence of debilitating health or mobility issues;
- To strengthen inter-agency cooperation especially the cooperation between the Ministry of Education and the Administration on Aging in use of elders as mentors and cultural teachers;
- To strengthen prevention-oriented health services; and
- To improve end-of-life services.

82. Although many health workers are now calling for long-term care beds or facilities, the reality is there are no public resources to develop institutional care facilities and families are unlikely to be able to afford these services which tend to be costly. Expanding existing services to integrate more elements of Hospice-style care is a lower cost, more sustainable option.

¹³ Funding earmarked for home health and geriatrics in the MOH is derived from multiple grants making it difficult to precisely estimate expenditures for this purpose.

3.6 Future Outlook

83. In Palauan culture, the extended family is the social service network that provides support and care for persons with special needs. In large part because of the strength of the extended family, most Palauans have opposed introduction of western-style social welfare. The reality is, however, that social and economic changes are making it difficult for families to fulfill their roles and responsibilities in the same way that they did in the past. Among these changes are:
- Nuclearization of the family (80 percent of Palauan-headed households can be described as “nuclear,” 2005 census data);
 - Migration of family members and family units outside of Palau which reduces the pool of caregivers in an extended family;
 - Expansion of the formal labor force and widespread entry of women into the labor force;
 - Increased reliance on the formal cash economy (the 2006 HIES found that less than 2 percent of average household expenditures derived from subsistence production);
 - Changing social norms as for example the “new” trend of bringing the terminally ill to be cared for in the hospital rather than at home.
84. The reality is that most of these social changes will continue – there is no “turning the clock back” to an earlier era. If families are to continue to be the primary care givers for persons with special needs, social services will need to evolve to provide family members with appropriate support based on contemporary social and economic realities.
85. At present, services are generally categorized as being one of two types:
- Relatively well organized programs funded from U.S. Federal grants; or
 - “Shoestring” locally funded programs.
86. With the exception of services for disabled children, services are fragmented. Service providers identify an urgent need to designate a social service focal point that: (a) assists individuals and families with needs to link with existing services; (b) facilitates development of community-based social support systems based on culturally appropriate models; (c) provides information to the community about social service needs; and (d) advocates for funding and services with not only government but other social institutions such as community based and faith based organizations.¹⁴
87. In the government organization chart, this responsibility is officially lodged with the Bureau of Community Services within the Ministry of Community and Cultural Affairs although the office originally identified as the lead agency for these services has disappeared from the organization chart. With funding cutbacks, the Bureau now has very little capacity to offer services except for those limited services provided to Senior Citizens through the Aging Administration. The Ministry of Health, on the other hand, has proposed to create a new

¹⁴ Churches in Palau are less actively involved in social services than in many other jurisdictions. They too see social services as the primary responsibility of families and secondarily as responsibilities of government. Encouraging greater involvement in social services by faith based organizations is one strategy for sustainability of services.

office of Social and Spiritual Health to provide many of the services identified as needed by service providers. Given the current configuration of services, this office may provide the most cost-effective mechanism for meeting the immediate needs identified by service providers.

4. Persons Living with Economic Hardship

4.1 Introduction

88. Throughout the Pacific Islands, the concept of poverty has been controversial since it was first introduced into the region's policy dialogue by UNDP in the 1990's. Pacific Islanders pride themselves on a culture of "caring and sharing" in which the weak and vulnerable are cared for by those who are more able. To acknowledge poverty is to acknowledge a fundamental shift in social and cultural systems. After extensive and often emotion-charged debate, Pacific Island leaders have concluded that poverty does exist in the region but should be equated with hardship and that poverty (or hardship) in the Pacific context means:

"...an inadequate level of sustainable human development which includes lack of access to basic services, lack of opportunities to participate in the socioeconomic life of the community, and a lack of adequate resources to meet the basic needs of the household and customary obligations to the extended family, community, and church" (*UNDP, 2006*).

89. This Pacific definition echoes what has become a global consensus - poverty is multi-dimensional and must be considered in terms of: access to essential services; opportunities to participate in social and economic life; and access to the resources needed to sustain a family in dignity.

90. Palau does not yet have an official definition of poverty although work recently concluded with UNDP has identified a tentative income poverty line. Poverty, however, is more than income and hence discussions herein examine three dimensions of poverty:

- Access and opportunities;
- Social and cultural;
- Monetary.

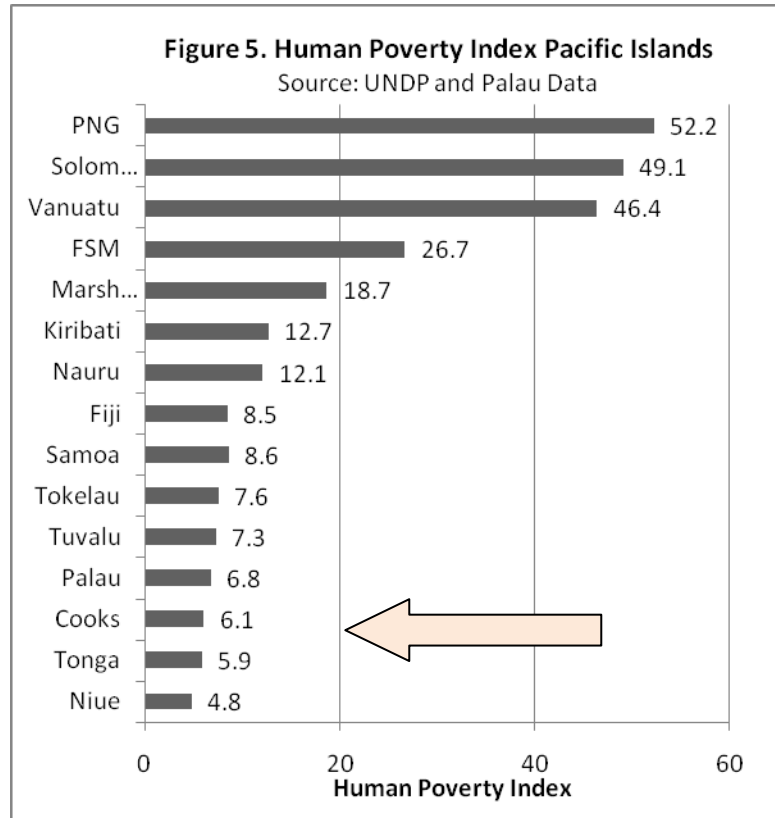
4.2 Access and Opportunity

91. While the world community still defines “absolute poverty” as persons living on less than U.S. USD1 per day (measured in terms of Purchasing Power Parity¹⁵), at national levels the focus of poverty analysis is increasingly “relative poverty” or persons who, for whatever reasons, are unable to live according to the prevailing standards of their community.

92. Recognizing that poverty is multi-dimensional and that data on household income or expenditures may not always be available to measure poverty, UNDP has developed a Human Poverty Index (HPI) that relies on more readily available indicators of access, opportunity, and quality of life. This index combines the following measures:

- Vulnerability to death at an early age measured by the percent of persons expected to die before the age of 40 years;
- Exclusion from the world of knowledge measured by the percent of adults who are illiterate (e.g. attended school for four years or less if direct measures of literacy are unavailable);
- Access to basic services (percent of people without access to safe water and health care); and
- Food poverty (percent of children 0-5 years of age who are underweight).

93. When these indicators are combined for Palau using the most recently available data, the resulting HPI is 6.8. Countries with a score of 10 or below are generally considered to have a low prevalence of poverty. Figure 5 shows the HPI for Pacific Island countries. As seen, Palau ranks near the bottom of the scale just behind four low-poverty Polynesian countries. (For information on how Palau’s HPI score was calculated, see Annex 6.1).



¹⁵ Purchasing Power Parity (PPP) is a method for comparing the cost of a basket of common goods across countries, currencies, and time. The PPP has not been calculated for Palau and most other Pacific Island nations. The Secretariat of the Pacific Community (SPC) is working to develop PPP values for the region. This is expected to be complete by end-2008.

4.3 Socio-Cultural Poverty

94. In 1998, formative research on poverty was conducted by the Palau Community Action Agency in cooperation with CoPopChi and UNDP. This work featured a series of focus group discussions to explore the social and cultural dimensions of poverty (*Otto, 2000, unpublished papers*). It was found that the Palauan concept of poverty (“*chelebuul*”) integrates four elements of well-being:
- Interpersonal and clan relationships;
 - Perseverance or personal drive;
 - Traditional social status (right to inherit a title);
 - Access to land.
95. There was an overwhelming consensus among participants that “*chelebuul*” refers not to a person’s money or material goods but to his/her interpersonal relationships within the extended family and clan. A person who suffers from poverty or “*chelebuul*” either does not have an extensive network of kin or is estranged from family and clan. In several focus groups, specific persons were named who are known to be wealthy in monetary terms but were perceived to be “impoverished” in the Palauan context because of the weakness of their family relationships. With this conceptualization, poverty alleviation at the individual and household levels requires nurturing of inter-personal and inter-clan relationships. At the societal level, poverty alleviation (or prevention) requires attention to cultural preservation and strengthening of interpersonal connectivity - a process that academics label “building social capital.”
96. In 1997, it was difficult to get participants in the poverty focus groups to discuss income poverty although the link between income and socio-cultural wellbeing was recognized. Palauans strive to amass resources (traditionally Palauan money and food and today the U.S. dollar) not so much for themselves but as contributions to the social network through complex webs of customary exchanges. In one analysis:
- “Wealth is important and crucial to the livelihood of the Palauan people. The balance in having wealth, keeping relationship nurtured and alive, and knowing one’s roots is the essence of Palauan life and culture.... Relationships and wealth define and redefine Palauan communities and their social organizational structures. Palau’s culture revolves around acquisition, distribution, and re-distribution of wealth. Childbirth, marriage, death, transfer of knowledge and properties, relationships and many other aspects of the culture are tightened, loosened, and broken with the flow of money (specifically Palauan money), wealth, and other valuables such as land, food and *toluk* (women’s money). Transfer of money and other valuables has been and continues to be an important part of all activities...” (*Palau Resources Institute, 1998, p. 61*).
97. Having described poverty from a socio-cultural perspective, PCAA and CoPopChi were not able to translate this description into indicators that could easily be measured using available data. On the one hand given the large number of customary exchanges occurring today and the ever increasing value of dollars and *toluk* collected, it might be concluded that socio-cultural poverty rates are low. On the other hand given the number of disputes over land and titles in the community - an indicator of weakening social capital – it might be concluded that socio-cultural poverty rates are increasing. Since the social and

cultural dimensions of poverty are central to addressing the issue in Palau, they need to be operationalized in measurable terms and integrated into the MTDS monitoring framework.

4.4 Income and Expenditures

98. There are two methods of assessing poverty in monetary terms: income and expenditures. For assessing relative poverty in a population, analysts generally prefer to use expenditure data because it is more accurate and more sensitive to changes in standards of living over time.
99. In the case of Palau, expenditure data analyzed from a poverty perspective is available only for 2006. To gain insights into trends, it is therefore necessary to examine income data which has been consistently reported by the census since 1990 and 1995.

4.4.1 Income Data

100. Household income data derived from the Palau censuses suggest that in aggregate, Palau families are doing reasonably well with rates of poverty and hardship declining as follows:
- Decline in the number and percent of Palau households that live below the U.S. poverty line (Table 6);¹⁶

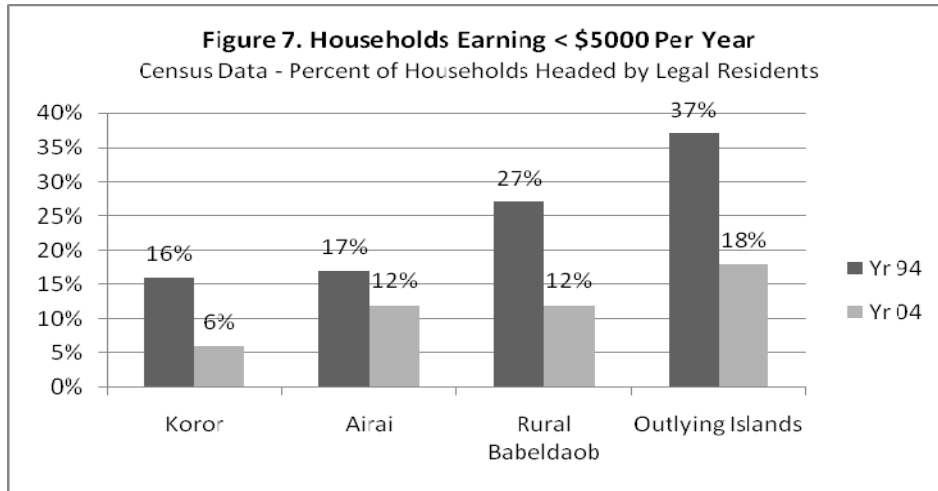
	Census '90	Census '95	Census '00	Census '05
Percent of Families in Poverty				
- All families	70.3	58.6	59.8	52.6
- Palauan headed families	N/Av	60.8	60.1	51.8
Percent of Individuals in Poverty				
- All persons	73.9	70.9	65.2	59.2
- Ethnic Palauans	N/Av	66.7	64.1	52.6

- Increase in mean and median household incomes (Table 7);

	Census 1995 for 1994	Census 2000 for 1999	Census 2005 for 2004
Mean Income	\$18,509	\$21,421	\$22,777
Median Income	\$12,907	\$14,910	\$17,630

¹⁶ Few people would suggest that the U.S. poverty line is a valid measure of income poverty in Palau. However, the fact that Palau households have been compared against the U.S. poverty line over a period of several years (1995-2005), provides some indication of trends.

- Decline in the number and percent of households earning less than \$5,000 per year and narrowing of income disparities between the regions of the country (Figure 7);



- Rising material standards of living evidenced by improvements in the quality of housing increased access to basic services (water and electricity), and expanded use of household amenities (Table 8).

**Table 8. Selected Indicators of Housing Quality:
Owner-occupied Housing Units 1990 and 2005**
(Data derived from census reports)

	Year 1990	Year 2005
Median # of rooms	4.3	5.0
3 or more bedrooms	45.6%	48.1%
Unit < 10 years old	42.3%	27.0%
Complete plumbing	49.0%	57.1%
Piped water (* 2005)	87.9%	97.8%
Flush toilet (* 1990)	46.3%	99.4%
Complete kitchens	64.9%	89.3%
Electric power *	87.5%	98.9%
Television *	63.7%	86.6%
Cell phone	N/Av	45.4%
Microwave *	0.6%	34.7%
Computer *	N/Av	18.5%
Average Vehicles *	0.7	1.2

*Data on owner-occupied housing are used as a proxy measure for Palauan-headed households since few foreigners own their own homes in Palau. An * indicates data reported only for occupied housing units without differentiating owner-occupied and tenant-occupied.*

4.4.2 Expenditures

101. While income measures of poverty and hardship are often adjusted for inflation, it is more difficult to adjust for changes in community norms. For example, twenty years ago, it was not unusual for a Palauan household to cook over an open fire, use an outdoor toilet, and have few, if any, electrical appliances or amenities. These were the community norms, not an indication of poverty or hardship. Today, many people would consider a household in this situation to be experiencing hardship, if not poverty. Analyzing expenditures and comparing high expenditure with low expenditure households adjusts for evolving community norms. This is a major reason that poverty analysts prefer to work with expenditure data rather than income data.¹⁷
102. Although Palau has conducted three Household Income and Expenditure Surveys, only the 2006 survey has been analyzed from a poverty perspective. This analysis is, in fact, still in progress as this paper is finalized but the most important data - poverty lines and estimates of populations below the poverty line - are available for consideration herein.
103. The methodology for analysis is outlined in the text box below. Table 9 shows the food, non-food, and basic needs poverty lines for Palau while Table 10 shows the proportion of households and individuals who have weekly expenditures below the poverty line. As indicated, one-in-five households and one-in-four individuals experience difficulty in living according to prevailing community standards. This level of hardship is in line with that found in Samoa and Tonga but much lower than that found in other Micronesian nations, Melanesia, and Fiji.

Steps in Estimating a Basic Needs Poverty Line

1. Calculate household population in adult equivalence (a.e.);
2. Calculate weekly adult equivalence per capita expenditure;
3. Rank all households by adult equivalence per capita expenditure and classify household according to deciles (10ths);
4. Calculate adult equivalent population and overall population by decile;
5. Calculate adult equivalent household size by decile;
6. Calculate food/non-food expenditure by decile;
7. Analyze food diary data for lowest three deciles to determine weekly a.e. food (kilocalorie) intake and resulting costs;
 - a. Identify key food items;
 - b. Price key food items;
 - c. Estimate kilocalorie values of key food items;
 - d. Estimate cost of basic diet for Food Poverty Line;
8. Calculate poverty indicators.

Source: Abbot, David (Macroeconomic and Poverty Alleviation Advisor, UNDP, Suva). Estimation of Minimum Cost of Living and National Poverty Lines from 2006 Palau Household Income and Expenditure Survey. (Presentation before the Palau Millennium Development Goals Working Group, July 3, 2008).

¹⁷ Poverty data based on expenditures compares households within a defined population and is a valid indicator for that population. It is less valid when comparing one population to another. To compare different populations, Purchasing Power Parity (PPP) has been developed. The international standard for poverty is households living on less than USD2 per day (measured in PPP). This measure is not currently available for Palau or most other Pacific Island countries (see footnote 12).

	A Food Poverty Line (per adult equivalent)	B Estimated Non-Food Expenditure (per adult equivalent)	C Basic Needs Poverty Line C=A+B	D Weekly Cost per Household Lowest Three Deciles (adult equivalence)	E Annual Cost per Household in Lowest Three Deciles (adult equivalence)
National Average	\$16.60	\$41.45	\$58.05	\$244.67	\$12,723
Urban Average	\$16.94	\$44.30	\$61.24	\$264.10	\$13,733
Rural Average	\$16.03	\$36.44	\$52.47	\$214.30	\$11,144

Source: Abbot, David (Macroeconomic and Poverty Alleviation Advisor, UNDP, Suva). Estimation of Minimum Cost of Living and National Poverty Lines from 2006 Palau Household Income and Expenditure Survey. (Presentation before the Palau Millennium Development Goals Working Group, July 3, 2008.

	Households	Population
National Average	18.4%	24.9%
Urban (Koror-Airai)	19.2%	26.2%
Rural (all other)	20.8%	28.9%

Source: Abbot, David (Macroeconomic and Poverty Alleviation Advisor, UNDP, Suva). Estimation of Minimum Cost of Living and National Poverty Lines from 2006 Palau Household Income and Expenditure Survey. (Presentation before the Palau Millennium Development Goals Working Group, July 3, 2008.

104. A full description of the households living with hardship is still being compiled but analysis thus far has found:

- A larger proportion of rural households experience hardship in comparison to urban households but since the urban population is much larger than the rural population, the largest concentration of households living with hardship is found in urban areas.
- The proportion of households living with hardship in Kayangel, Angaur, and the West Coast of Babeldaob is greater than in Peleliu, and the East Coast of Babeldaob.
- Households headed by a person over the age of 60 are more likely to be living with hardship than households headed by younger persons.
- Households headed by women are more likely to be living with hardship than male-headed households; this is particularly evident in rural areas.

105. The data on which this analysis is based was collected in 2006. Since that time, there has been double-digit inflation in food, energy, and other basic needs as the result of escalating oil prices. According to the Bureau of Agriculture, basic food stuffs have risen in price by 24 percent between 2007 and 2008 (*Sengebau, F., presentation at the MTDS Forum, June 25, 2008*) while wages have remained stagnant. This means that the poverty line in 2008 is undoubtedly higher than shown in Table 7 and that the number of households–individuals living with hardship has undoubtedly increased. In an editorial, the *Island Times* comments on the increasing hardship experienced by many families.

“The USD2.87 minimum wage for government employees is just too low for anyone to support a family, especially when the price of basic commodities continues to rise. Workers have been priced out of the market because salaries have remained the same for years while the cost of living has risen drastically... A young couple both work for the government. They rush home each day after work to go to the farm, get up at dawn the next morning to prepare their produce to sell in the stores or market before they dash to work again. This is necessary to supplement their government income so they can support their family of four or five. By contrast, a similar size family of 20 years ago was considered well-to-do if one parent worked for the government. Times have changed...” (*Island Times*, Friday, June 1, 2007).

4.5 Vulnerability

106. Vulnerability refers to resilience – the ability of households to withstand external economic shocks such as serious illness, death of a breadwinner, loss of employment, etc. While there is no single statistic that measures vulnerability, it is generally recognized that many, maybe most, Palau households experience a high degree of vulnerability and that vulnerability is increasing.
- The average household has high levels of consumption and low levels of personal savings (*HIES, 1994, 1997, and 2005*).
 - The average household has high levels of indebtedness and a persistent pattern of deficit spending (*HIES, 1994 and 1997*). While these patterns were not so evident in the 2006 HIES, it is “common knowledge” in the community that indebtedness and deficit spending remain issues and lawyers report a growing number of people caught in the “debt trap” (*Micronesian Legal Services, 2008*).
 - While vulnerability is somewhat mitigated by virtually universal access to land and sea resources, future access may be imperiled and even now, subsistence production is declining in economic importance; in 2006, only 13 percent of the average household’s food expenditure and less than 2 percent of total expenditures derived from subsistence fishing or farming (*HIES, 2006*).
 - The specter of macro-economic adjustments and reduced government expenditures may result in government workers – especially low-skilled government workers – being forced to look for work in the private sector where wages are generally lower than in the public sector. While the economic boom underway in Guam resulting from U.S. military build-up there represents a potential safety net, the demand is for skilled labor and while Palauans have some natural advantages given their proximity and visa status, they will be competing for these jobs with workers from around the world. It is likely there will be a mismatch between the skills held by many Palauans in need of work and the skills demanded in the Guam marketplace.
 - The concentration of private sector development in tourism is another aspect of vulnerability commented on during the MTDS Symposium (June 25, 2008). While tourism has been a source of economic growth since independence, growth has been volatile. Palau’s dengue fever epidemic, the 9/11 disaster, the Asian economic crisis, the SARS epidemic, and at this writing, escalating oil prices, have all resulted in short-term but significant drops in tourist arrivals and revenues. For small businesses and low income households, these fluctuations can be economically devastating. This underscores the need for development of alternate industries that can sustain

households and the nation during down times in tourism and the importance of nurturing the safety net represented by universal access to land and sea resources.

107. Landlessness is an aspect of vulnerability that has received little attention in Palau to date. At present, across the nation, there is a large amount of unused land and it is unlikely that any Palauan has absolutely no access to land for his/her personal needs. This ability to return to the land (and sea) during hard times is an essential safety net for individual households and for the country as a whole. As recently as 25 years ago during the turbulence leading to independence, government workers were put on reduced hours and told to “go home and plant” during their off time. There are, however, indications that this safety net may be compromised in the future.
- While foreign banks cannot hold title to land, private lenders can. In many cases land is the collateral for these private transactions that are not regulated by consumer protection laws.
 - Land is also used to pay for some services, especially legal services.
 - States have launched land lease programs and in the interest of raising revenues and increasing their population base, are encouraging any Palauan to apply regardless of their home state or the amount of land they may already own.
108. In brief, what is happening today is the widespread transfer of land from persons who are “land rich but cash poor” to a small number of (relatively) cash-rich Palauans. In the future, this will limit access to land by many poorer households and erode one essential safety net that protects low income Palauans from absolute poverty. Situations are also expected to arise over the MTDS period in which people who have been living on leased or customary land for many years (perhaps even generations) will be evicted as lands are leased to make way for economic development. At present there are no policies, programs, or administrative procedures to help affected people find alternate land or to provide compensation for fixed assets that cannot be moved. State governments control the public lands and would be the responsible authorities for identifying replacement lands. Land in Koror, however, is scarce so people affected in Koror may need to look elsewhere for land but there is no national authority to coordinate the relocation process. And while land is a major issue, people are at risk of losing their homes and other fixed assets with no recourse for compensation. Neither EQPB (Environmental Quality Protection Board) nor the FIB (Foreign Investment Board) are required to consider compensation for displaced persons as part of their permitting processes.
109. Over the long-term, climate change and accompanying sea level rise constitute the greatest sources of vulnerability in Palau. Over this century, climate change experts predict that Palau will experience environmental nomadism as some outlying islands and portions of the main islands become uninhabitable due to sea level rise (*Office of Environmental Response and Coordination, 2002*). It is anticipated that climate change will render both the land and sea less productive and death of corals may imperil the tourism industry. Climate change over the century will increase poverty while reducing resiliency that comes from being able to rely on the natural environment for livelihood if other options are closed. In anticipation of climate change, a program of adaptation has been proposed by government (*OERC, 2002, 76-82*) but implementation will undoubtedly prove challenging since it is hard for most people to conceive of the massive changes that the century may bring.

4.6 Pro-Poor Strategies

110. Palau does not have a comprehensive, coordinated anti-poverty strategy although it does have elements of such a strategy. The Constitution contains several elements of a pro-poor strategy by:

- Prohibiting alienation of land to non-Palauans;
- Prohibiting land taxes as a further safeguard against alienation;
- Providing for free public education for the children of citizens;
- Providing for free or subsidized health care for citizens.

111. Other elements of a pro-poor strategy include:

- Subsidized water and sewer services for all residents;
- Exemption of drugs and certain essential foods from import tax;
- Subsidized power rates for households with low levels of usage;
- Sliding fee schedule for on-island medical costs in the public system with the lowest earning households paying only 5 percent of charges and the average household paying only 30 percent of charges;
- Availability of low-interest loans targeting low-income households;
- Subsidized child care at the PCC Child Care Center for low income households;
- Legal services for low income persons – the Public Defender for criminal cases and the Micronesian Legal Services Corporation for civil cases;
- Social security and public service pension plan for old age security;
- And for the prevention of poverty, universal access to preschool, elementary and secondary schooling of good quality.

Credit Facilities that Target Low-Income Persons

- **National Development Bank** has two loan schemes that specifically target low income persons. The Micro-credit scheme provides loans in the amount of USD500-USD10,000 for five years at 6 percent interest to any person who has a steady income for collateral. The program became operational in February 2007 and for the remaining eight months of that year channeled USD300,000 into loan assistance – most earmarked for housing loans. The Bank also has a Women’s Soft Loan Program (although men living in rural areas are also eligible). This loan is offered at 8 percent interest and is earmarked specifically for small business development.
- The **Pacific Islands Development Bank** based on Guam also provides loans for commercial activities. The loan ceiling is USD 0.5m; the interest rate a flat 10 percent; and the term of the loan ranges from 7-30 years.
- The **Palau Housing Authority** provides loans to low-income persons for housing renovation and new construction. The Authority also has a limited stock of authority-owned houses for minimal rent that it offers to unemployed or low-income individuals.
- Palau has 3 **FDIC** (Federal Deposit Insurance Corporation) banks that provide personal loans (to persons with monthly income of at least USD1,000) and commercial loans. These banks, however, favor established businesses over start-ups.

4.7 Poverty, Hardship, and the Medium-Term Development Strategy

112. There is a growing consensus – evidenced by newspaper editorials, speeches on the floor of the OEK, and talk in the coffee shops, meeting houses, and stores – that there are disadvantaged people being left behind as Palau develops. Some of these people are “absolutely” poor or lacking in money and other resources to meet basic needs for food and shelter. Others are “relatively” poor or lacking the resources needed to participate fully in society. As the cost of living increases, fueled by the energy crisis, a much larger group of people may be described as “experiencing hardship” or unable to live at the same level as before. While the traditional system of “caring and sharing” redistributes wealth in times of personal and family crisis, there is a strong social norm that people should work hard to meet the basic needs of their own households. As society changes – especially as families become increasingly nuclear and people embrace individualism over communalism - traditional mechanisms of income redistribution are less likely to assist households living with economic hardship in their everyday living.
113. The Medium-Term Development Strategy talks about the need for adjustment to “right size” government and to “grow” the private sector. In time this strategy will result in “*a sustained and widespread improvement in general standards of living.*” It is important however that the strategy reflect a “human face” that minimizes human hardship during implementation and ensures equitable distribution of the benefits of development. This is what is meant by a pro-poor strategy. At present, Palau has elements of a pro-poor strategy but does not yet have a fully developed strategy that is coherent, comprehensive, and responsive to people in need. This development is a critical element of the MTDS. While it is important that government lead the process of formulating a pro-poor strategy, it is also important that the process involve active participation by civil society and open dialogue with those people who are experiencing hardship and the service providers who assist them on a daily basis.

4.7.1 Vision, Goal, and Strategies

114. The MTDS vision for vulnerable populations is “life with dignity”. The goals are:
- To ensure the basic needs of all Palau’s residents are met;
 - To reduce vulnerability by preserving safety nets represented by:
 - The Palauan ethic of “sharing and caring”;
 - Universal access to productive land and sea resources.
 - To provide compassionate, timely assistance to people falling through the “safety net”.
115. In discussions with social service providers, five strategies have been identified as the framework for a comprehensive pro-poor strategy.
- Laying the policy foundation;
 - Accessing basic services;
 - Extending opportunities;
 - Sustaining safety nets;
 - Meeting basic needs.

Strategy #1. Laying the Policy Foundation

116. A pro-poor strategy rests on a foundation of recognition, definition, measurement, and action. Civil society already recognizes the reality of poverty and hardship. Government must likewise recognize this reality and commit to early development of an explicit pro-poor strategy. The strategy, however, requires that poverty and hardship be defined in operational terms, and be measured consistently and regularly in order that the “human” impact of development policies on people can be known. While comprehensive measures can be integrated into the census and/or household income and expenditure surveys, more frequent, sentinel indicators are critical if a pro-poor strategy is to respond to people’s needs in a dynamic macro-economic climate.
117. In mid-2008, two important foundation steps have been taken by government preparatory to a pro-poor strategy. Government has:
- Re-analyzed the 2006 HIES from a poverty perspective; and
 - Appointed a committee to prepare a baseline report on the Millennium Development Goals which feature poverty reduction as goal number one.
118. In both cases, it is important that the work be undertaken in a participatory manner with the people affected and the service providers who work with them, consulted. It is also important that the work be balanced – looking equally at access to services and opportunities, socio-cultural issues, and income-expenditures.
119. These two exercises will help to define poverty and hardship but are only the first steps. Information generated must be used to formulate a strategy. The strategy in turn must be implemented and the impact of implementation monitored. These steps require a policy focal point to ensure that poverty and hardship are continuously addressed, not just taken up when an economic crisis arises.

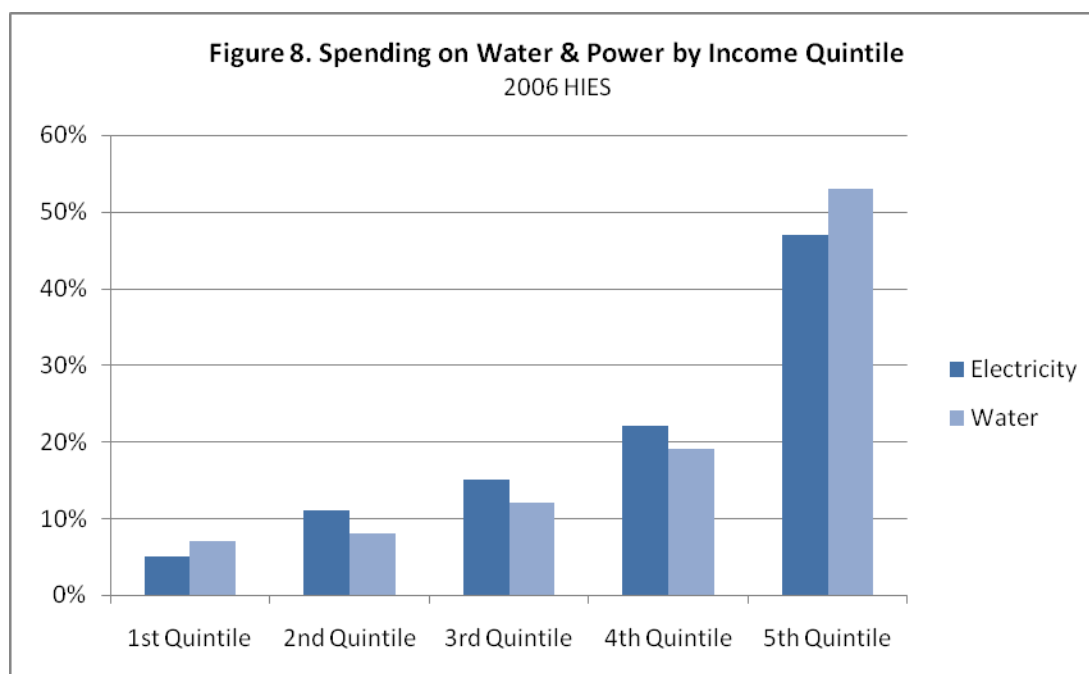
Strategy #2. Accessing Basic Services

120. Palau has universal access to health and education systems that are the envy of most developing countries. These systems are due in part to U.S. Federal grants and could not be sustained in their current form with local resources alone. Especially in the health and social welfare sectors, those services that are most critical to the poor – primary and preventive care and assistance to disadvantaged groups – are funded almost exclusively by U.S. grants. With the prospect of macro-economic adjustment looming, strategies for sustainable financing of health, education, and public utilities are being identified; these strategies generally include higher user fees. It is important that in the push to lower public subsidies of goods and services that the poor are not be “priced out” of the system.
- In moving toward sustainable financing for government services and public enterprises there needs to be emphasis on efficiency as well as revenues.
 - Services of special importance to the poor should be identified and earmarked for sustained financing. In education this is basic education – pre-primary, elementary, and high school. In health, this is primary and preventive health care. In the social welfare sector, this is direct assistance to disadvantaged populations.
 - Government’s responsibilities to its citizens should be clarified and limits set as appropriate and necessary. Government cannot, for example, provide every possible

health service to prevent or treat every sickness. Even in the wealthiest countries, there are limits. Clearly defining government's responsibilities towards its citizens is an essential component of a pro-poor strategy.

- Higher income persons should pay at or close to the full cost of services or more while subsidies are continued, or even expanded, for persons at the lower end of the economic spectrum.

121. While health and education are foundation rights recognized in the constitution, other services are both essential and of special importance to households in hardship who have no option but to rely on public services. These services include potable water, safe sanitation, power, and as the price of fuel escalates, public transportation. At present many of these services are subsidized by government but the subsidy is “across the board” which means that the wealthy benefit disproportionately. Figure 8 illustrates this point with data on household power and water expenditures drawn from the 2006 HIES. As shown, the top 20 percent of income earners use 47 percent of the electricity and 53 percent of the water. This means that government subsidies for these services disproportionately assist those with the least need. Better targeting of subsidies could enable more generous support for the lowest income earners.



Strategy #3. Extending Opportunities

122. Access to education that prepares students for the labor market and access to jobs that pay a living wage are key elements of a pro-poor strategy. The Constitution mandates that the national government make education available and free for all citizens and the law requires parents to send their children to school. Still too many children are leaving school prematurely and too many graduates are ill-prepared for the labor market. Palau does not have the problem of over-population experienced by many Pacific Island nations. There are more jobs available and more jobs created every year than graduates to fill them

(Table 11). The problem is four-fold: (a) out-migration of many graduates to the U.S.; (b) a mismatch between skills and market place demand; (b) a labor market that prefers “guest workers” over Palauan workers; and (c) labor policies that reinforce this preference.

123. Private sector development, job creation, and labor policies are addressed in the economic strategy paper. Education and vocational training are addressed in the education strategy. These are, however, essential elements in the pro-poor strategy.

Table 11. Comparison of High School Graduates and New Jobs 1995-2005	
Graduates	Jobs
1,273	2,018
<p><i>Source: Data on graduates is from the Ministry of Education. Data on jobs is from the census based on the number of persons at-work full-time. Since some people may work more than one job and some jobs are only part-time, these data underestimate the actual number of jobs in the economy.</i></p>	

Strategy #4. Sustaining Safety Nets

124. At present, Palau has three inter-related safety nets: its natural resources; its tradition of caring and sharing; and its extended family network.
125. **Natural Resources.** Today, every able-bodied Palauan can “go back” to the land and sea when times are hard to meet their most basic needs. In the 1980’s during periods of economic austerity, people have gone back to the land. Material standards of living dropped but no one starved.¹⁸ This represents a tremendously valuable safety net unavailable in many larger and more urbanized countries. It is essential that environmental protection and land use policies ensure that this safety net will always exist for individuals in need and if necessary, for the nation as a whole. It is particularly important that:
- A strategy (or strategies) be developed to enable land owners to access the equity represented by their land without alienating the land;
 - Policies and systems be developed to address the looming issue of displaced families.
126. **Tradition and Family.** The extended family is the traditional social safety net in Palau that ensures no one is homeless or hungry or in the case of the disabled, infirmed, or elderly, no one is neglected. This system still works in large measure. Even those people who roam the streets by day looking for “hand outs” have a shelter and food awaiting them at night. Social workers and health personnel will attest, however, that the extended family system is under stress with people in need sometimes being turned away by their relatives.

¹⁸ As prices escalate due to the energy crisis, it is evident that all across Koror small patches of land that were previously barren are being pressed into service for food production. Even small patches can make a big difference to a low-income household.

127. Palau cannot afford and most Palauans do not want a western-style social welfare system. Palauans take pride in “caring for their own.” Given, however, the rapid pace of social change many families will need additional support to fulfill their obligations. There is an urgent need to evolve culturally competent models of social services to help families and communities. Government can facilitate discussions about social services but it is the traditional leaders, community-based organizations, and faith based organizations that need to lead in the design of a “Palauan way”.

Strategy #5. Meeting Basic Needs

128. If the other elements of the pro-poor strategy work perfectly – everyone has access to essential services, education, and jobs at a living wage and the weak and infirmed are cared for – then the basic needs of all will be met. There will be no need for other forms of income support. The reality is that no pro-poor strategy will work perfectly. There will be people – albeit it is hoped only a small number – who are left behind. How to best address their needs is a critical element in the pro-poor strategy. Ideally the primary source of assistance will remain in the extended family system and within the community. When all else fails and extraordinary intervention is needed, there needs to be a focal office to provide assistance and link individuals in need with the services that can help. The designation of such a “one-stop shop” is another element in a pro-poor strategy.

4.7.2 Monitoring Framework

129. Based on the strategies and action steps, performance indicators are proposed to monitor progress in responding to vulnerable populations.
- Strategy 1 – Policy
 - An institutional focal point for pro-poor policy development and monitoring will be identified;
 - An explicit national pro-poor strategy will be developed;
 - A system of sentinel indicators will be developed to monitor policy implementation.
 - Strategy 2 – Basic Services
 - A system of targeted subsidies will be developed to ensure that low income households have access to essential services – basic education, primary and preventive health care, potable water, safe sanitation, and power.
 - Strategy 3 – Opportunities
 - The number of children who drop-out of school prior to high school graduation will progressively decline;
 - Vocational and technical training opportunities will increase;
 - More Palauans will be employed in the labor force at jobs that pay progressively increasing wages.
 - Strategy 4 – Safety Nets
 - A strategy will be developed to enable land owners to access the equity in their land without alienating the the land;
 - Policies and systems will be developed to address the looming issue of displaced families;
 - At least one model of community-based social support for vulnerable populations will evolve.
 - Strategy 5 – Basic Needs

- The proportion of households (and individuals) living below the basic needs poverty line will progressively decline;
- A focal office for social services and social support of individuals and families will be officially designated.

5. Annexes

5.1 Calculating the Human Poverty Index for Palau

Calculating the Human Poverty Index for Palau

The formula for calculating HPI is:

$$HPI = (1/3(P_1^3 + P_2^3 + P_3^3))^{1/3} \text{ where}$$

P_1 = the percent of people born who are not expected to live until year 40

P_2 = the percent of adults who are illiterate (have 4 or less years of schooling)

P_3 = a composite measure of

P_{3-1} = the percent of people without access to safe drinking water

P_{3-2} = the percent of people without access to health care

P_{3-3} = the percent of children 0-5 years who are underweight

And is calculated as

$$P_3 = (P_{3-1} + P_{3-2} + P_{3-3}) / 3$$

In 1999, UNDP calculated Palau's HPI as 10.8. Using more recent data, Palau's HPI now stands at 6.8 largely as the result of significant advances in expanding access to health care and water while improving child health.

Data used to calculate HPI for Palau

	1999 (UNDP)	Most recent
P_1 : % of persons born who are not expected to live until age 40	7.3%	8.4%
P_2 : % of adults (age 25 and over) who are illiterate, defined as having four or less years of schooling)	9.0%	7.0%
P_{3-1} : % of persons without access to adequate quantities of safe water	14.0%	1.0%
P_{3-2} : % of persons without access to health care	20.0%	0.0%
P_{3-3} : % of children 0-5 years who are underweight	8.0%	1.4%

Data sources (most recent): life expectancy, Ministry of Health and Office of Planning and Statistics; literacy, 2005 census based on persons with ≤ 4 years of education; access to water, 2005 census; access to health care, Ministry of Health; underweight children based on a now dated published figure from the late 1990's. There has been no nutrition survey to provide population-wide data to update this figure but it over-estimates the prevalence of underweight today. Health officials report that only one case of child malnutrition was identified in 2006 (Moon-Watson, 2007, private communications).

5.2 Recommended Strategies and Actions Rated by “SID”

130. Recommended strategies and actions have been assessed on the basis of the “SID” indicators adopted in all the working papers that comprise the MTDS series. “SID” is an acronym that stands for:
- Support – extent to which the strategy and action are supported by key stakeholders including, in the case of vulnerable populations, political leaders, service providers, and people experiencing vulnerability or economic hardship;
 - Impact – extent to which the strategy and action will impact on the well-being of vulnerable populations at a cost that is affordable to individuals, government, and society;
 - Do-able – ease of implementation.
131. Each strategy and supporting action step has been rated for the three criteria on a scale of 1-10 with “10” the most favorable rating. Weights are assigned with support and do-ability weighted at 25 percent each and impact weighted at 50 percent. The rationale for weighting is that if a recommended action will have a high impact, it may be worth developing strategies to increase support or do-ability as required to move forward with implementation.

Table 12. Strategic Plan for Sustainable Financing – VULNERABLE POPULATIONS

Vision. Life with dignity.

- Goal.**
- (1) To ensure the basic needs of all Palau's residents are met;
 - (2) To reduce vulnerability by preserving safety nets represented by:
 - The Palauan ethic of "sharing and caring";
 - Universal access to productive land and sea resources.
 - (3) To provide compassionate, timely assistance to people who fall through the "safety nets".

Strategy	Action Number	Action	Support weight 25%	Impact weight 50%	Do-ability weight 25%	Weighted Average
1. Develop, implement, and monitor a pro-poor strategy that also addresses needs of vulnerable groups.	1.1.	Identify a policy focal point for poverty analysis and monitoring <ul style="list-style-type: none"> - Identify an institutional focal point - Identify advisory council comprised of policy makers, service providers, and community representatives 	8	9	9	8.7
	1.2.	Formalize poverty (hardship) guidelines based on analysis of 2006 HIES and community consultations <ul style="list-style-type: none"> - Income dimensions of poverty - Social-cultural dimensions of poverty 	9	9	10	9.2
	1.3.	Develop an explicit pro-poor strategy based on data analysis and consultations with persons experiencing hardship and the service providers who assist them <ul style="list-style-type: none"> - Engage community based and faith based organizations in the dialogue about poverty and hardship 	9	10	8	9.2
	1.4.	Monitor the situation of poverty and hardship <ul style="list-style-type: none"> - Integrate comprehensive measures into census and HIES - Identify sentinel indicators for routine monitoring 	10	10	7	9.2

Strategy	Action Number	Action	Support weight 25%	Impact weight 50%	Do-ability weight 25%	Weighted Average
2.Ensure universal access to basic public services (health, education, water, sanitation, and power)	2.1.	For each of the essential services, develop an explicit subsidy system that protects access by low income households.	9	10	6	8.7
3. Ensure equitable opportunities to participate in social and economic life.	3.1.	Progressively reduce the number of children who leave school prior to high school graduation; (see MTDS strategies and actions for EDUCATION).	10	8	8	8.5
	3.2.	Progressive expand vocational-technical training opportunities; (see MTDS strategies and actions for EDUCATION).	8	8	6	7.5
	3.3.	Progressively increase the number of Palauans active in the labor force in jobs that pay a "living wage;" (see MTDS strategies PRIVATE SECTOR DEVELOPMENT, LABOR, IMMIGRATION).	10	10	5	8.7
4. Ensure continued resilience of safety nets – natural resources, tradition of "caring and sharing," family and culture	4.1.	See MTDS strategies and actions for ENVIRONMENTAL PROTECTION.	8	8	8	8.0
	4.2.	Develop a strategy (or strategies) to enable land owners to access the equity represented by their land without alienation of land.	7	8	7	7.5

Strategy	Action Number	Action	Support weight 25%	Impact weight 50%	Do-ability weight 25%	Weighted Average
	4.3.	Develop policies and systems to address the looming issue of displaced families.	7	9	7	8.0
	4.4.	Develop at least one community-based model for delivering culturally competent community-based social services.	8	8	5	7.2
5. Meet the basic needs of vulnerable populations and people living with economic hardship.	5.1.	Identify a Social Service focal office to take leadership in: ¹⁹ <ul style="list-style-type: none"> - Providing a “one stop shop” for assistance, information and referral services for persons in need of services; - Advocating for vulnerable populations and people living with hardship. 	7	9	8	8.2
5.1. Address the needs of the vulnerable – disabled	5.2.	Strengthen services that ease the transition for disabled children to adulthood <ul style="list-style-type: none"> - Mechanisms for follow-up and ongoing support - Sheltered workshop - Expanded job opportunities 	8	9	5	7.7
	5.3.	Strengthen services for disabled adults <ul style="list-style-type: none"> - Needs identification - Coordination among service providers - Life-long follow-up and support for severely disabled 	8	9	5	0.775
5.2. Address the needs of the vulnerable – domestic violence, abuse, neglect	5.4.	Amend the child abuse law (PNC 21.601-606) to address identified deficiencies in: <ul style="list-style-type: none"> - Penalties - Coverage - Definitions - Protections 	8	8	8	8

¹⁹ In consultations, there was a consensus among service providers that the proposed Office of Social and Spiritual Health within the Bureau of Public Health was the logical focal point for coordination of social support services. Formal identification and designation, however, require more discussion at senior policy levels so no specific recommendation is made in this paper regarding the focal office.

Strategy	Action Number	Action	Support weight 25%	Impact weight 50%	Do-ability weight 25%	Weighted Average
	5.5.	Enact legislation to protect adult victims: <ul style="list-style-type: none"> - spouse abuse - elderly - disabled and others with special needs 	7	8	8	7.7
	5.6	Identify a strategy to provide “respite” measures for short-term protective housing of persons in need while more permanent arrangements are made by service providers.	8	9	8	8.5
5.3. Address the needs of the vulnerable – adolescents	5.7	Monitor implementation of the Palau National Youth Policy.	9	9	7	8.5
5.4. Address the needs of the vulnerable – senior citizens with special needs	5.8	Strengthen health and social outreach to seniors with the greatest need <ul style="list-style-type: none"> - Advanced age - Homebound - Isolated - At risk of abuse or neglect 	9	8	8	8.2
	5.9.	Strengthen prevention-oriented health services for senior citizens	9	9	9	9.0
	5.10	Identify strategies to improve end-of-life care for elderly and others with terminal illnesses that can realistically be financed by a combination of government, community, and family resources <ul style="list-style-type: none"> - Community based hospice-like care and/or - Long-term care facilities 	8	9	7	8.2

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