

EXECUTIVE ORDER NO. 277

Organizing the Office of Budget and Grant Oversight

WHEREAS, Section 7 of Article VIII of the Palau Constitution grants the President all the inherent powers and duties of a national chief executive, including, but not limited to enforcing the law of the land; and

WHEREAS, 2 PNC § 110 empowers the President by Executive Orders to establish offices and agencies within the Executive Branch and to prescribe their duties, responsibilities and functions so as to assist the President, the Vice President and the Ministers in the performance of their duties, responsibilities and functions; and

WHEREAS, the President has determined that the Executive Branch of the Government of the Republic of Palau would benefit by establishing an office within the Office of the President to advise and assist the President in improving and overseeing budget and grant management, and in developing better budget and grant performance measures and coordinating mechanisms;

NOW, THEREFORE, by virtue of the authority vested in the President by Article VIII of the Constitution of the Republic of Palau and the aforementioned laws, the President orders as follows:

Section 1. Office of Budget and Grant Oversight. There is hereby established in the Office of the President an Office of Budget and Grant Oversight (“OBGO”). The OBGO shall be headed by a Special Assistant to the President for Budget and Grant Matters. The Special Assistant shall coordinate the activities of the OBGO with appropriate Government of the Republic of Palau Executive Branch ministries, bureaus, divisions, offices, authorities, boards, and commissions (hereafter “Agency” or “Agencies”) and, where appropriate, with the Olbiil Era Kelulau, the Judiciary, public corporations, and state governments. The Special Assistant shall report directly to and be under the immediate supervision of the President. The OBGO shall have the following duties and responsibilities:

A. Budget Process.

1. To advise and assist the President in the formulation, preparation and execution of the National Budget, including such tasks as establishing funding priorities and spending plans;

2. To perform comprehensive and detailed budget, financial, and performance analysis;
3. To recommend improvements for enhancing the effectiveness of the budget process, including but not limited to information gathering, performance measurement analysis, and allocation of budget amounts among all activities; and
4. To advise and assist the President in coordinating all functions to ensure that spending remains within budget targets.

B. Finance, Program and Budget Oversight.

1. To monitor and evaluate the effectiveness of Agency programs, policies and procedures and make recommendations for action by the President regarding the same, and to assist the President in implementing such actions;
2. To advise and assist the President in ensuring that Agency reports, rules, testimony, and proposed legislation are consistent with the President's budget and policies;
3. To oversee, advise and assist the President in coordinating procurement, financial management and regulatory policies in relation thereto;
4. To gather data and use it to measure the performance of all activities of the Agencies to ensure that available resources are being effectively utilized and the intended outcomes are being achieved; and
5. To assist the President in ascertaining whether the burdens imposed by laws and rules are justified by their benefits using a rigorous cost benefit analysis and to recommend appropriate actions, as necessary.

Section 2. Grant Clearinghouse. Effective immediately, all Agency applications or requests for grants or grant funding, and all other applications for grants and grant funding requiring the President's approval, including applications or requests for an extension or renewal of existing grants or grant funding, shall be submitted to the OBGGO before the applications or requests are submitted to the grantor government or agency. No such application or request shall be submitted to the grantor government or agency by an Agency unless such submission is

authorized by the OBGO or by the President. In relation to its role as a grant clearinghouse, OBGO shall have the following duties and responsibilities:

- A. To receive and review all Agency applications for grant funds and other applications for grant funds;
- B. To assist the President in ascertaining whether the burdens imposed by grants are justified by their benefits using a rigorous cost benefit analysis;
- C. To make recommendations to the President regarding all Agency applications or requests for grants or grant funding; and
- D. To monitor and evaluate all aspects of all grants awarded to and managed by Agencies.

Section 3. Administrative Support. All Agencies shall make available such resources and provide all assistance, including all documents and files, as requested by the OBGO. Upon request, the OBGO shall be permitted unrestricted access to all computerized documents, files, records and other information identified by OBGO.

Section 4. Funding. To the maximum extent possible, the OBGO shall be funded primarily by grants or from the indirect cost funds received from grants to the Government of the Republic of Palau Executive Branch.

Section 5. Effective Date. This Executive Order shall take effect immediately and shall remain in force and effect until amended or repealed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this 19th day of January, 2010.

/s/
Johnson Toribiong
President
Republic of Palau