

## **Presidential Directive No. 13-006**

*To direct the establishment of specific policies and procedures for the identification, development, management and monitoring of Grants pursuant to Executive Order No. 349.*

A Grant Office is hereby established in the Office of the President to work closely with the Director of the Bureau of Foreign Affairs and Trade and the Bureau of Budget and Planning to accomplish the objectives of Executive Order No. 349 in improving the identification, development, coordination, management and monitoring of Grants in the Republic, in support of national priorities.

### **Section 1. Purpose.**

The purpose of this Presidential Directive (Directive) is to implement the purpose set forth in Executive Order No. 349. A copy of Executive Order No. 349 is attached to this directive. In general terms, the purpose of Executive Order No. 349 and this Directive is to improve overall aid coordination to ensure that all grants meet and support national priorities and that duplication of grant proposals, awards, and provisions and implementation is minimized. It is further intended that the process of reviewing grants is made more efficient through greater centralization and collaboration between the Grant Coordinator, the Director of the Bureau of Foreign Affairs and Trade, the Director of the Bureau of Budget and Planning and individual grant agencies. In addition, the centralization of many grant development and management capacity. Finally, through the creation of a single point of contact, a stronger system of grant tracking and performance analysis will be possible.

Many of the policies and procedures set forth in this Directive are a direct result of recommendations that have been made by the Peer Review of the Pacific Island Forum Secretariat, and are in accord with the Palau Management Action Plan (the MAP), the Medium Term Development Strategy (MTDS), and the 2020 National Master Development Plan (NMDP). Executive Order No. 349 and this supplementary Directive are a response to the recommendation that all grant aid be coordinated through a single point of contact in order to increase the efficiency and effectiveness of each grant with respect to accomplishing a unified national objective, taking into account the unique grant relationship that Palau has with the United States Government under the Compact of Free Association, as well as the significant and unique foreign grant aid received from other countries, particularly Japan and the Republic of China (Taiwan).

Accordingly, the following policies and procedures are hereby directed to be established:

**Section 2. Policy.**

- a) Responsibilities of the Grant Coordinator. Pursuant to Executive Order No. 349, the Grant Coordinator, taking into account the unique differences in the origin and types of grants received by agencies and entities, including all ministries and their sub-entities, authorities, boards, commissions, and semi-government entities under the jurisdiction of the national government, shall be responsible, with the assistance of the Director of the Bureau of Foreign Affairs and Trade and the Director of the Bureau of Budget and Planning, for aid coordination, grant monitoring, and grant development assistance, as set forth herein.
- b) Single Point of Contact Established. As set forth in Executive Order No. 349, it is the policy of the Government of the Republic of Palau that there shall be a single point of contact for all grants, which shall be the Grant Coordinator. The Grant Coordinator is directed to establish a Grants Office within the Office of the President that shall implement the policies set forth in this Directive. The role of the Grant Coordinator, as single point of contact, shall vary, depending upon the origin of the grant and the specific requirements of the grant donor and subject to the provisions herein.
- c) National Priorities. The primary objective of all Grant funding is to accomplish a stated national priority, as delineated by the President and as annually documented by the Bureau of Budget and Planning. The Grant Coordinator shall work closely with the Bureau of Budget and Planning to ensure that all Grants and Grant Proposals are aligned with stated national priorities of the Republic.
- d) Cooperation.
  - (1) Every government agency, including all ministries and their sub-entities, authorities, boards, commissions, and semi-government entities under the jurisdiction of the national government, shall assist and cooperate with the Grant Coordinator, in order to enable the Grant Coordinator to perform the responsibilities assigned to the Grants Office in a timely manner.
  - (2) All entities that receive any Grant funding or other assistance shall designate an employee closely associated with Grant submission and implementation to be a liaison with the Grants Office, and shall, within ten days of the date of this Presidential Directive, inform the Grant Coordinator by email <ropgrants@palaugov.org> of the identity of such

person. Such persons shall make available all information and provide all assistance, including unrestricted access to all grant-related electronic or paper documents, files, records and other information, as identified or requested by the Grant Coordinator.

### **Section 3. Definitions.**

In this Presidential Directive the following definitions shall apply:

- a) **“Applicant”** shall mean any Palau government or semi-government agency, or non-government agency, business, or person that resides or has its principal place of business within the Republic of Palau and seeks Grant funding for a project on behalf of or in conjunction with the Republic of Palau.
- b) **“Grant”** shall mean a legal instrument that provides financial assistance in the form of money, property, or technical assistance, or some combination thereof, to an eligible recipient. The term does not include scholarships, fellowships, prizes, or other lump sum awards, for which the recipient is not required to provide a financial accounting.
- c) **“Grant Coordinator”** shall mean the individual employed in the President’s Office to facilitate the coordination of Grant Opportunities and Grant Proposals within the national objectives of the Republic of Palau, as documented by the Director of the Bureau of Budget and Planning.
- d) **“Grant Donor”** shall mean an entity in possession of funds or other assistance that it desires to provide to an Applicant in order to accomplish a specific objective that is within the scope of Applicant's normal everyday functions.
- e) **“Grant Opportunity”** shall mean an official document from a Grant Donor that describes an opportunity for an Applicant to obtain a grant of funds or other assistance from a Grant Donor in order to accomplish a specific objective, including an initial Grant Opportunity or an opportunity to renew existing grant funding.
- f) **“Grant Project or Program”** shall mean the overall undertaking of specific grant-funded objectives, the support of which, ultimately, is the overarching reason that Grant funding is provided.
- g) **“Grant Proposal”** shall mean a document drafted by an Applicant seeking Grant funding or other assistance from a Grant Donor in order to accomplish a specific objective that is related to the Applicant’s normal everyday functions.

- h) **“Grant Recipient”** shall mean the individual or organization to which a Grant is awarded and that is accountable for the use of the funds provided.
- I) **“Renewal of Existing Grants”** shall mean a Grant Proposal that is designed to secure funding for the continuation of a Grant Project that has previously been funded by the same Grant Donor.

#### **Section 4. General Provisions.**

- a) **Grant Monitoring and Review.** All Grants and Grant proposals are subject to review and monitoring by the President, the Grant Coordinator and the Director of the Bureau of Budget and Planning, as herein set forth.
  - 1. Notification of the Receipt of a Grant. Any grant recipient shall, within 5 days, notify the Grant Coordinator of the receipt of any Grant. The original document for every grant award shall be forwarded to the Bureau of Budget and Planning, which shall provide copies to the Grant Coordinator, the Division of Property and Supply, the Division of Treasury and the Bureau of Public Service System.
  - 2. Establishment of Grant Repository. The Grant Coordinator shall establish and maintain a grants repository into which copies of all grant-related documentation shall be kept, as herein set forth. The creation of the depository in no manner relieves or precludes agencies and entities from the responsibility of maintaining their own grant documents. Related documentation may include a copy of the Grant Proposal, terms of the award, correspondence, progress reports, financial records, survey instruments, and research data or other products of or results from a Grant Project that are created by any employee or person associated with a grant project that is developed or implemented on behalf of the Republic of Palau. All such documents shall become the property of the Palau National Government upon the cessation of the Grant Project. At any time, the Palau National Government reserves the right to obtain; reproduce; publish or otherwise use the data first produced under a Grant Award; and authorize others to receive, reproduce, publish, or otherwise use such data for non-profit educational, scientific or scholarly purposes. Grant applicants and recipients shall assist the Grant Coordinator in the compilation and upkeep of grant documents.

3. Annual Review and Report
    - I. Grant recipients shall report on each and every grant received as required by the donor. In addition, grant recipients shall submit an annual Grant Activity Report as required by the Palau Grant Coordinator. The Grant Activity Report shall be submitted on a simplified form that shall be developed and distributed by the Grant Coordinator.
    - ii. The Grant Coordinator shall use the information from the Grant Activity Reports, as well as other relevant information, to prepare an Annual Grants Report to the President on all relevant grant activity in the Republic.
  4. Grant Recommendations. Where appropriate and necessary, the Grant Coordinator may make recommendations to Grant Applicants and Grant Recipients regarding requirements to ensure that grants are in line with national priorities and are managed in the best interests of the Republic.
  5. Grant Numbering (DUNS Numbering System). All grants submitted online by agencies of the State and National Governments of Palau through the System for Awards Management at <www.sam.gov> shall be transmitted under the unique DUNS Number associated with the Republic of Palau National Government. No other DUNS number shall be used to submit and track grants. The Grant Coordinator shall work closely with Grant administrators to ensure the smooth conversion to this single number system.
- b) **Grant Management.** All grants shall be subject to the following requirements.
1. Indirect Costs. All Grant Proposals that allow for indirect costs shall contain language that directs not less than five percent (5%) of the entire Grant Proposal for administrative costs incurred by the Grant Coordinator and the Ministry of Finance to support the implementation of Executive Order No. 349 and this Directive. Where appropriate or necessary in the best interests of the Republic, the President may waive or alter the five percent (5%) requirement.
  2. Deposit of funds in National Treasury. Unless otherwise dictated by the terms of the Grant, all Funds provided to a Grant Recipient shall be deposited into the National Treasury of the Palau National Government. The Director of the National Treasury for the Ministry of Finance shall direct that

subaccounts are established for all Grant fund activity and that funds are available for expenditure or obligation.

3. Assurances. Prior to the release of funds awarded by a Grant Donor, the Grant Recipient shall sign assurances with respect to: (1) compliance with all applicable State and National statutes, regulations and policies; (2) prohibitions against discrimination; (3) financial capability; (4) generally accepted accounting standards; (5) sound procurement system; (6) conflict of interest; (7) reporting; (8) prior approval for all project actions and expenditures, including changes in key project personnel, scope or design; (9) drug-free workplace; (10) environmental impact; (11) hiring practices; and (12) working conditions. A copy of the Grant Award Assurances form is attached to this Directive.
4. Property. Title to tangible property acquired under a Grant award vests upon acquisition in the Grant Recipient. The recipient shall use that property for the originally authorized purpose and shall not encumber the property without the approval of the Palau National Government. Unless otherwise stated in the terms of the grant, all publication and distribution agreements related to property acquired under a Grant award shall include provisions giving the government a royalty-free, nonexclusive and irrevocable right to reproduce, publish, or otherwise use the material for government purposes. The Grant Recipient is expected to publish or otherwise make publicly available the results of work conducted under a Grant Award. Unless otherwise specified in the Grant award documents, two copies of any published material resulting from Grant award activities should be forwarded to the Grant Coordinator as soon as it becomes available. This material shall be labeled, identifying the Grant Do-nor and the Grant Project, and shall be forwarded to the Bureau of Domestic Affairs and other appropriate institutions of the national government where it can be made publicly available.
5. Research. The Palau National Government shall take appropriate action against individuals or organizations upon a determination that misconduct has occurred in proposing, performing, or reviewing research or in reporting results from research activities funded by a Grant Award. Research misconduct is defined as fabrication, falsification, or plagiarism in proposing, performing, or reviewing research, or in reporting research results. The Grant Recipient bears the primary responsibility for prevention and detection of research misconduct and for the inquiry, investigation, and adjudication of research misconduct alleged to have occurred in association with its own institution. At any time during an inquiry or investigation, the Grant Recipient

will immediately notify the Palau National Government if natural resources or public interests are threatened; if public health or safety is at risk; if research activities should be suspended; if there is reasonable indication of possible violations of law; if government action is required to protect the interests of those involved in the investigation; or if the research community or public should be informed. If any employee of the national government becomes aware of misconduct, then the employee shall promptly inform the Attorney General.

6. Whistleblower Protection. No employee, who in good faith reports a violation of the, this Directive or of Executive Order No. 349 shall suffer harassment, retaliation or adverse employment consequence. This Whistleblower protection is intended to encourage and enable employees and others to raise serious concerns and prompt corrective action within the National Government of the Republic of Palau and its Agencies prior to seeking outside resolution. The Grant Coordinator shall work with the Director of the Bureau of Public Service System to establish a government wide Whistleblower Policy, which shall be incorporated into the Public Civic Service Rules and Regulations, and which, upon implementation, shall preempt this provision.
7. Unauthorized use of Property. If any individual takes unauthorized possession of property, including research data or other intellectual property, belonging to or developed under a Grant Project, then information related to that unauthorized possession shall be forwarded by any agent of the national government who has such knowledge to the Office of the Public Auditor and the Attorney General for investigation and prosecution, as appropriate.
8. Penalties. If any employee of the national government is found to have violated Executive Order No. 349 or this Directive, then such action is hereby deemed to constitute insubordination and cause for adverse action under Civil Service Regulation No. 11.4(c). Any employee of the national government that is found to have failed to comply with any part of Executive Order No. 349, or this Directive, shall be subject to not less than five (5) days of suspension from work without pay. Repeat offenses may result in escalating punishment.
9. The Grant Coordinator or the Director of the Bureau of Budget and Planning may impose other such required grant terms as may be necessary to assure the Republic that Grant Projects will be performed in accordance with the law of

the Republic and in accordance with the generally accepted international best practices of Grant implementation.

**c) Grant Development Assistance and Training.**

1. Training Program. Subject to the availability of funding, the Grant Coordinator shall establish a training program for grant writing and grant management in order to support the efforts of the various entities in the Republic to secure grant funding.
2. Development Assistance. Subject to the availability of staffing, the Grant Coordinator shall assist agencies in the development of grants, where appropriate and necessary.

**d) Aid Coordination.** In line with Executive Order No. 349, the Grant Coordinator shall work closely with the Bureau of Foreign Affairs and Trade and the Bureau of Budget and Planning to:

1. Minimize duplication of efforts and maximize the usage of available lending facilities;
2. Ensure that grants are consistent and in line with national priorities pursuant to approved national development strategies;
3. Make sure that all grant aid is coordinated, taking into account the source and nature of each grant;
4. Ensure that international standards for grant submission and compliance are met;
5. Enhance, through collaboration and coordination with all interested parties, the formal communication undertaken by the Bureau of Foreign Affairs and Trade with international, regional and non-profit organizations and agencies, to identify all available grant opportunities in the Republic of Palau; and
6. Disseminate grant information, where appropriate, to interested potential applicants.

**Section 5. Grant Applications with International Aid Donors.** In addition to the requirements set forth above for all Grants, applicants for Grants from International Aid Donors, to include, but not to be limited to, the United Nations

and its subsidiaries, the Asian Development Bank, the World Bank and the Global Environment Facility, The European Union and AusAID, and any corporations, foundations or non-governmental organizations shall be subject to the following additional processing requirements.

- a) **Copy of Grants to Grant Coordinator.** All Applicants that learn of a Grant Opportunity for International Aid Assistance from a source other than the Grant Coordinator shall provide a copy of the Grant Opportunity to the Grant Coordinator for possible dissemination to other interested applicants. Grant opportunities communicated to the Republic of Palau through the Ministry of State shall be immediately forwarded to the Grant Coordinator for dissemination to potential applicants.
- b) **Submission of Proposals to Grant Coordinator.** All Grant Proposals to International Aid Donors, including initial Grant Proposals or requests for renewal of existing Grants, shall be submitted to the Grant Coordinator for review, at least ten days before the application deadline or as otherwise agreed to by the Grant Coordinator.
- c) **Grant Application Information.** All grant applications shall be reviewed by the Grant Coordinator, with the assistance of the Director of the Bureau of Budget and Planning, who shall certify in writing that:
  1. The grant goals, objectives, performance measures timetables, designations of responsibility for implementation, evaluation mechanisms and reporting mechanisms are clearly stated in the application;
  2. Any burdens that the grant imposes upon the Republic are justified by the benefits of the grant by utilizing a rigorous cost benefit analysis;
  3. The grant does not duplicate requests for assistance from other donors or from the same donor to other projects within the Republic of Palau;
  4. The grant is in line with Republic of Palau national priorities; and
  5. Any matching requirements are in line with the National Budget funding priorities and spending plans will not over-obligate the National Treasury.
- d) **Review of Grant Applications.** All Grant Opportunities with International Aid Donors are subject to review by the Grant Coordinator and the Director of the Bureau

of Budget and Planning prior to dissemination in order to ensure that they do not conflict with national priorities.

- e) **Grant Proposal Certification Form.** A Grant Proposal Certification form, prepared and signed by the Grant Coordinator (or designee) and the Director of the Bureau of Budget and Planning (or designee), shall be completed prior to the submission of any Grant Proposal. A copy of the Grant Proposal Certification form is attached to this Directive. The completed Grant Proposal Certification form shall accompany all Grant Proposals and shall be sent to the Minister of State or his designee for his endorsement or signature.

**Section 6. Miscellaneous.**

- a) **Waiver of Grant Requirements.** The President may waive grant requirements set forth herein where a grantor has different grant requirements than set forth herein and where failure to follow such requirements will jeopardize the grant award.
- b) **Grants under Diplomatic Note.** The Grant Coordinator shall work with the Minister of State to develop an expedited submission process for grants that require transmittal under a diplomatic note.
- c) **Grants from Corporations, Foundations and Non-governmental Organizations.** Grants made available from corporations, foundations and non-governmental organizations shall not be exempt from Executive Order No. 349 and this Directive.

It is so directed, this October 17, 2013:

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/s/  
Tommy E. Remengesau, Jr.  
President  
Republic of Palau