

PALAU – EUROPEAN COMMISSION

2007 JOINT ANNUAL REPORT

1.1 EXECUTIVE SUMMARY

The Republic of Palau is one of the wealthiest Pacific Island Nations with a gross domestic product per capita of nearly \$8,000. It is also the biggest per capita aid recipient in the region due to its close association with the United States. Significant funds are provided through the Compact of Free Association between the two countries. These funds are predominately used to develop infrastructure to facilitate Palau's economic growth.

The 9th EDF CSP/NIP provides an indicative financial allocation of € 2 m for the "A" Envelope, and € 0.6 m for the "B" envelope. The renewable energy focal sector, accounts for 100% of the A envelope - €1.7 million implemented through a multi-country programme (REP5) and €0.3 million through a Non-State actor's programme. The entire 'B' envelope has been allocated to Disaster Risk Reduction and will be implemented using a multi-country programme approach managed by SOPAC.

The status of projects by the end of 2007 is as follows:

REP5 programme: A tender for the supply and installation of equipment was launched mid-2007 with a contract awarded shortly thereafter. Equipment supply and installation are expected Q2 2008.

NSA Programme: The programme aims to enhance and expand community-based activities in the field of renewable energy. A proposal was formulated in 2006 and a Financing Agreement was signed in June 2007. The programme is implemented by way of a 'grant agreement' by the Palau Community Action Agency.

Disaster Risk Reduction Programme ('B' envelope): The Financing Agreement for the project was signed in Tonga in October 2007. SOPAC are presently in the process of recruiting TA to help manage the project. Activities in Palau aim to improve access to the country's only hospital and to establish a disaster management operations centre in Koror.

The 10th EDF Country Strategy Paper and National Indicative Programme (NIP) was signed on the occasion of the 38th Pacific Forum Leaders Meeting in Tonga on 18th October 2007. The CSP/NIP totals €2.9 million (A envelope) and €0.3 million ('B' envelope). This represents a total increase 23% over the 9th EDF. Again, renewable energy was selected as the focal sector. This will be complemented by a Technical Cooperation Facility designed to improve NAO capacity. Following approval of the ID fiche the AAP for the TCF was submitted to HQ for consideration in October 2007.

Palau has a unique ecosystem which is in relatively good condition, even though it can no longer be called pristine in some areas. The Biodiversity Convention considers Palau a biodiversity "hotspot". Given the major economic role of tourism, sustained economic development is dependent on the integrity of an environment under increasing pressure from development, which is potentially incompatible with fragile island ecosystems

1.2 UPDATE ON THE POLITICAL, ECONOMIC, SOCIAL AND ENVIRONMENTAL SITUATION

1.2.1 Update on the political situation

Palau has a constitutional government in free association with the United States under the Compact of Free Association which entered into force on 1 October 1994. Legislative authority rests with the bicameral National Congress, the Olbiil era Kelulau, made up of a Senate and a House of Delegates elected every four years. Next elections are scheduled for November 2008.

President HE Tommy Remengesau, Jr was re-elected in 2004. The President chooses the eight member Cabinet from within the legislature. President Remengesau is the son of a former President and had served as Vice President to President Nakamura. Under the state constitutions, each of the 16 states has a governor. Some governors are elected while others are chosen on the basis of their traditional status. There is also a 16-member Council of Chiefs which advises the President on matters of custom and traditional law. There are two high Chiefs, based on Koror and Melekeok.

The debate over the Constitution and Compact has had a significant impact on domestic politics. Haruo Remeliik, President from 1980 to 1985, who had been involved in the introduction of the nuclear-free constitution and was also supportive of the Compact with the United States, was assassinated in 1985. The Minister of State was eventually found to be complicit in the crime. His successor, Lazarus Sali, who was prominent in the negotiations with the United States over the Compact, died in an apparent suicide in 1988 amid allegations of mismanagement and corruption.

Palau celebrated its thirteenth independence anniversary at the new capital in the state of Melekeok on 1st October. President Tommy Remengesau Jr. cautioned the country of challenges of the coming year were the upcoming Compact Review with the United States and the need for legislative action to facilitate the growth of the private sector. The President also emphasized that government expenditures and revenue generation was a priority.

General elections in Palau are due to be held in November 2008.

1.2.2 Update of the economic situation

Under the Compact of Free Association with the United States, Palau will continue to receive direct financial assistance of around US\$27 million a year until 2009. This funding is divided between ongoing budget support and infrastructure development, while large additional sums were paid at the beginning of the Compact's initial 15-year funding period to set up a long-term investment fund. Palau has managed Compact funds prudently and is implementing its National Master Development Plan with the objective of achieving long-term sustainable economic growth.

Palau has a rich fishery resource which is critical to domestic food supply. Domestic shipping exports sashimi grade tuna, mainly to Japan. The local industry is in the doldrums at present, but the licensing of vessels from United States, Japan, Taiwan and the PRC is still a

significant source of foreign exchange. 2007 was marked by infractions of fishing regulations, particularly shark fining, with charges by the attorney general against three Taiwan tuna fishing companies. The AG also prosecuted and gained conviction of Palau's first case of human trafficking.

Tourism is the main contributor to Palau's economic growth. In 2006, overall visitors arrival increased by 0.3%. Tourist arrivals saw a modest increase of 2.6% while other arrivals consisting mainly of students, airline and ship crews and other visitors not falling within any of the three major categories below saw an increase of 73.7%. Business and employment arrivals declined by 6.0% and 30.5% respectively. Significant employment travel decline are partly due to the completion of the compact road project as workers are repatriated home. Despite the 2006 tourist arrival increase of 2.6% or 1,975, it is still 6.3% or 4,886 below our tourist arrival peak in 1994.

Table 1: 2003-2006 Visitors by Purpose

Year	2003	% Chg	2004	% Chg	2005	% Chg	2006	% Chg
Tourist	57,468	28.5%	83,041	44.5%	76,180	-8.3%	78,155	2.6%
Business	3,265	-5.0%	4,421	35.4%	4,398	-0.5%	4,134	-6.0%
Employment	4,392	49.9%	5,361	22.1%	5,322	-0.7%	3,697	-30.5%
Others	2,221	-11.8%	2,071	-6.8%	224	-89.2%	389	73.7%
Total	67,346	25.6%	94,894	40.9%	86,124	-9.2%	86,375	0.3%

Source: Palau Visitors Authority (CY)

Palau's real gross domestic product (GDP) is estimated to have grown by an average of 2% per year since 1994, much of it taking place in the first two years of the Compact. 2007 GDP per capita is estimated at \$7,600 per year. The economy is heavily reliant on public expenditure and the tourism industry. About 56 percent of the Palau born workforce is engaged in the public sector. The remaining Palauan workers (44%) are engaged in the private sector. Workers from the Philippines constitute the largest single country of origin, amounting to over one-half of total foreign workers.

Table 2: Mean Income by Industry : 1995 – 2005

Industry	Mean Income (000's)		
	2004:2005	1999:2000	1994:1995
<i>Employed 16 yrs. and over:</i>	7,918	8,520	8,200
Agriculture	3,724	4,468	4,655
Forestry and Fisheries	3,807	6,855	3,983
Mining	9,960		
Construction	5,847	6,661	6,081
Manufacturing	4,814	6,108	5,972
Transportation, communications, other	9,810	9,128	9,715
Wholesale trade	9,660	7,998	10,478
Retail trade	6,361	5,804	5,698
Finance, insurance and real estate	13,483	16,649	13,273
Services	8,830	9,215	8,601
Public administration	11,048	11,414	10,310

Source: Office of Planning Statistics

US financial assistance is key to the large public sector. Total payments under the first 15 years of the Compact (from 1 October 1994) are estimated at about \$600 million—five times annual GDP. Palau now faces a period of substantial fiscal adjustment. The Compact provides for the end of basic grants for operations and maintenance (O&M) in 2009. In addition, Palau will no longer benefit from substantial grant and in-kind support provided for capital projects when financial aid ends.

According to the latest Household Income and Expenditure Survey, conducted by the Ministry of Finance in 2006, the estimated total household income for Palau in 2006 was nearly \$94 million per annum, equating to a household income of \$ 19,759 per annum. The urban areas of Koror and Airai have the highest average income with a value between \$21,000 and \$22,000 per annum; followed by Babeldaob contributing slightly above \$15,000. Average household income for Kayangel/ Angaur is only around \$ 8,000 per annum. Wages and salaries make up nearly 60% of total income received, followed by rental income (18%) and social security payments (10%). In 2006 total household expenditure in Palau was \$92 million. The highest contributor to the total expenditure was miscellaneous expenses (\$18 million) per year, followed by rents (\$17 million) and food (\$15 million).

EPA negotiations

All Pacific ACP states, including Palau, continued their participation throughout 2007 in the EPA regional negotiation process through the established negotiating machinery.

Support to EPA preparation efforts, including in-country stakeholder meetings and participation in EPA-related meetings at all levels, was provided for Palau through PACREIP, the € 9.2m 9th EDF regional programme

1.2.3 Update on poverty and social situation

Palau's most recent Census of Population and Housing was conducted in 2005 by the Office of Statistics, under the Bureau of Budget and Planning with assistance from the US Census Bureau. Over the last 25 years, from 1980 to 2005, average annual growth rate was 2.1%. From 1980 to 2000 the average growth rate ranged between 2.2% and 2.8% but from 2000 to 2005 it declined to 0.8%. Low growth rate is partly attributed to the low birth rate, out migration particularly to the US Territories of Guam, Hawaii and the continental mainland to attend colleges, or enlist in the many branches of the armed forces.

Table 3: Population and Growth Rate

Year	Population	Growth Rate (%) (annual)	Urban Population		Rural Population	
			Number	Percent	Number	Percent
1980 Census	12,116	-0.6	7,585	62.6	4,531	37.4
1986 Census	13,873	2.4	9,442	68.1	4,431	31.9
1990 Census	15,122	2.3	10,501	69.4	4,621	30.6
1995 Census	17,225	2.8	12,299	71.4	4,926	28.6
2000 Census	19,129	2.2	13,303	69.5	5,826	30.5
2005 Census	19,907	0.8	15,399	77.4	4,508	22.6
*2010 Projections	20,325	2.1	11,179	55.0	9,146	45.0

Source: Office of Planning & Statistics

Palau has achieved literacy and high school participation rates that are relatively high among the Pacific Islands. However, enrolment in secondary education has declined significantly since the late 1980s due to low population growth and high dropout rates. In recent years, 30% of Palau's youth failed to complete 12 years of basic schooling—the minimum educational requirement for most jobs. Some 30% of students seek university (tertiary) level education. Since Palau has only one community college, these students have to go to the US on scholarship. Although no statistics are available, it is believed that only a small proportion of university-educated graduates return to Palau.

Table 4: Student Enrollment by School Level: 2000-2006

School Level	1999-00	%Chg	2000-01	%Chg	2001-02	% Chg	2002/03	% Chg	2003/04	% Chg	2004/05	% Chg	2005/06
Primary	2,912	3.4%	3,011	0.7%	3,033	0.4%	3,046	-0.6%	3,029	-1.2%	2,994	-5.4%	2,831
Secondary	1,152	2.3%	1,179	-0.9%	1,168	5.1%	1,228	-0.6%	1,221	-1.6%	1,201	9.1%	1,320
Total	4,064	3.1%	4,190	0.3%	4,201	1.7 %	4,274	-0.6%	4,250	-1.3%	4,195	-1.0%	4151

Source: Ministry of Education Research and Evaluation Division

Table 5: Ministry of Education Expenditures, FY 2006

Fiscal Year	General Fund	U.S. Federal Grants	Other	Total
2006	\$6,264	\$2,127 **	\$180	\$8,571
%	73%	25%	2%	100%
2005	\$6,148	\$2,127	\$891	\$9,166
%	67%	23%	10%	100%
1995	\$4,906	\$6,298	\$0	\$11,204
%	44%	56%	0%	100%

** FY06 Federal expenditures are estimated to be about the same as FY2005.

Source: Ministry of Education Administrative Services

Well-established medical institutions (mostly government-owned) and generous government subsidies have allowed Palauans to enjoy sustained, free primary care, both preventive and curative, leading to improved health—longer lives and freedom from many of the most serious communicable diseases. In 1990, Palau's population had a life expectancy of 69.0 years and infant mortality rate was estimated at 24.0 deaths per 1,000 live births. This improved by 2000, when life expectancy rate rose to 70.5 years and infant mortality rate fell to 18.3 deaths per 1,000 live births. Health conditions in Palau are now among the highest in the region.

Although general health has improved over the past few decades, changing lifestyles are creating a potential epidemic of non-communicable diseases (particularly cardiovascular disease, diabetes, and cancer), which undermine many people's quality of life, erode labour productivity, and challenge the financial viability of the publicly subsidized health system.

1.2.4 Update on the environmental situation

Compared to many other Pacific Island countries, the environment in Palau is in relatively good condition, although the impact of tourism and climate change on the environment is growing. The success of the tourism industry is closely related to the country's unspoilt environment, specifically as regards the marine resources, and the use of several dive sites is already considered beyond their absorption capacity. Further degradation of these resources will suppress the long-term development potential of the tourist industry. Waste management is also a serious concern. The rate at which solid waste and sewerage are generated exceeds the country's absorption capacity. With the current extensive development of public infrastructure on the island of Babeldaob, watershed protection and conservation is of the highest concern and may require restrictions to land use to protect fresh water resources.

While Palau does not usually suffer the direct consequences of cyclones, heavy rains and strong winds associated with tropical disturbances are relatively common. The possibility that such extreme events will become more severe and frequent as a consequence of global warming cannot be ruled out. Global warming is also increasing the risk of higher sea levels and ocean temperatures as well as increased incidence of drought. All these changes could be devastating for Palau. According to climate change projections, Palau's significant watersheds will also be highly affected by global warming. Increasing drought and severe storm patterns, of which has seen a significant increase over the past ten years, has caused severe economic strain on Palau's infrastructure. In the peak of the 1998 El Niño, Palau had the lowest rainfall on record for more than 100 years. Water supplies were depleted, agricultural production decreased by over 50%, and fires burned out of control throughout many islands.

2.2 Overview of Past and on-going co-operation

9th EDF

Under the 9th EDF Palau was allocated a total of €2.0 million ('A' envelope) and €0.6 million ('B' envelope). Palau has no history of EDF funding prior to 2000.

Renewable Energy Programme (REP5): The REP-5 project has progressed according to plan. The tender for the installation of a grid-connected PV system at the new Capital building in Babeldaob was launched, tenders assessed and contract just about to be let. Additionally, a national programme estimate to facilitate the work of REP-5 in Palau was approved and, among other things, this allowed the recruitment of a local energy planner. Most of the uncommitted project funds are likely to be rolled into a final 18-month PE to commence in June 2008.

NSA Programme: Following discussions between the Delegation and Non-State Actors in Palau, it was decided to focus the programme at enhancing and expanding community-based activities in the field of renewable energy. A €315,000 proposal was formulated in 2006 and a Financing Agreement was signed in June 2007. The 9th EDF NSA programme accounts for 15% of the NIP and is implemented through a grant agreement with the Palau Community Action Agency (PCAA), a local NGO. An advance payment has been made and the programme is being implemented. Delegation staff provide necessary advice during periodic visits, usually every six-months.

Utilisation of Envelope B

PALAU has not been subject to disasters, and is not eligible for FLEX or HIPC, so the B envelope remained untouched in 2006. A multi-country programme on disaster preparedness, to include Palau, will be implemented by SOPAC. The Financing Agreement was signed in Tonga in October 2007. Palau is ready to commence work and will undertake the necessary EIAs awaiting programme commencement. Government procurement systems are stringent and PWD is experienced in project management and site supervision. There are several local companies capable of carrying-out the work and all are likely to tender. Government is prepared to meet the expense of cost-overruns if any.

Other instruments

The 9th EDF Pacific Regional Indicative Programme funded and extended a number of existing projects to the six new Pacific ACP countries, including Palau. These consisted of:

- Pacific ACP Regional Economic Integration Programme (PACREIP)
- Development of Sustainable Agriculture in the Pacific (DSAP)
- Pacific Regional and OCT Fisheries Programme (PROCFISH)
- Plant Protection Programme (PPP)
- Pacific Regional Initiatives for the Development of (basic) Education (PRIDE)
- Reducing Vulnerability in PACP States – SOPAC
- Development of Fisheries in the Pacific (DEVFISH)
- Pacific Environmental Information Network (PEIN)

Additionally Palau has benefited from training provided through the Technical Support to RAO Project and EPA related technical assistance under a FORSEC implemented intra-ACP funded programme.

New 9th EDF regional programmes for which Palau is a beneficiary consist of:

- Scientific Support for Oceanic Fisheries Management in the Western and Central Pacific Ocean (SCIFISH)

Facilitating Agricultural Commodity Trade

10th EDF

The total amount of funds allocated for Palau's 'A' envelope is €2.9 million of which 85% is earmarked for the further development of renewable energies. In this context the Delegation launched an identification mission in October 2007 in order to have a first round of discussions with all countries regarding initiatives that could be suitable for funding. The final report of the identification mission is expected in April 2008.

The remaining 15 percent (€0.435 million) will be to establish a Technical Co-operation Facility from which necessary local Technical Assistance, studies and essential EDF-related activities will be funded. The TCF may also be used to finance necessary measures in support of governance issues. The TCF/PIF was approved in October 2007. The AAP drafts together with all annexes have been approved by QSG. Project commencement is expected to follow quickly after 10th EDF funding becomes available.

2.3 Policy Coherence for Development (PCD)

Climate change is an important cross-cutting issue, in particular for the Pacific region and major regional initiatives are being considered in the context of the RIP. Additionally, the Global Climate Change Alliance is likely to bolster Palau's ability to effectively address mitigation and adaptation measures.

Although Palau has not yet demonstrated much enthusiasm regarding EPAs, since the country has little to trade in goods, there are some EPA discussions which could be of interest. These include the discussions on services, regional integration, investment and fisheries, much of which is vital to the sustainable expansion of the tourism industry. Palau can request technical assistance from the Forum Secretariat or under the various EDF ACP facilities

2.4 EU Strategy for the Pacific

During the discussion in the programming process for the 10th EDF, key strategic directions contained in the EU Pacific Strategy have been taken into account while agreeing on the development response strategy for the European Community support. In this framework, the EU Strategy's focus on the sustainable management of natural resources in the Pacific provides a clear, result-oriented opportunity for the Palau-EU development cooperation under the 10th EDF renewable energy focal sector.

2.5 Donor coordination and harmonisation

There are no member states resident in Palau. Most MS missions accredited to Palau are located in Manila. Overall aid administration is managed by the Bureau of Budget and Planning within the Finance Ministry. Through its Compact arrangement the U.S remains Palau's single largest provider of development assistance. In the Compact period 1994-2009 a total of USD 450 million will have been transferred. Additionally, the U.S provides federal grants averaging USD 20 million per year. By comparison the value of EDF assistance is small, amounting to around 1% of total ODA receipts. Regular discussion is maintained with the various ministries and NSA implementing the EDF and also with UNDP in Suva, who implement complementary programmes in Renewable Energy and capacity building in planning and policy development. Where travel itineraries permit, coordination with the Asian Development Bank (Manila) is also undertaken.

3. Dialogue in country with the NAO and NSAs

Dialogue with the NAO is cordial but remains difficult due to the great distance involved. NAO inputs into annual EDF reporting requirements (e.g. JARs) and project formulation documentation are constrained due to the lack of technical resources available in-country. The anticipated 10th EDF TCF programme offers to improve the situation in this regard.

In general terms the present government has shown a welcome readiness to encourage dialogue with NSAs. Good NSA contacts have been established by the Delegation with NSA representatives in Palau. Whilst NSAs were not systematically consulted during the programming process, or over the JAR 2006, they are well aware of the Commission's activities.

4. CONCLUSIONS

Palau has made significant progress compared to other developing countries in the region. It is relatively well governed, with very few corruption cases; it has a functioning judiciary system and a relatively transparent financial and economic management process.

Comparative advantage, income potential, conservation and environmental protection, and private sector led enterprises are important considerations for prioritizing development initiatives. Some key areas include – tourism development focusing on expanding domestic participation; fishery development aimed at realizing greater returns; aquaculture development to encourage local and export markets; and agriculture development that prioritizes expanded production to meet domestic consumption.

Despite a late start Palau has made up substantial ground with regard to implementing the EDF/NIP. By the end of 2007 the 9th EDF NIP was fully committed and the 10th EDF CSP was agreed and signed. However, results in the focal sector are yet to be realised and this assessment must necessarily await the supply and installation of equipment in Q2 2008.

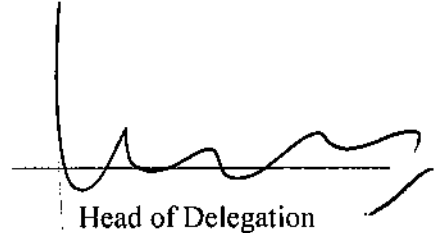
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SIGNED



National Authorising Officer
P.P. CASUAR REMENGESAU

Date: 7.18.08



Head of Delegation

Date: 6/8/08

ANNEXES

Annex 1: Country at a glance (key economic indicators) : PALAU

		2000	2001	2002	2003	2004	2005	2006	2007
Basic data									
1	Population (in 1000)	19.1	19.3	19.4	19.6	19.7	19.9	20.1	20.2
	- annual change in %	.8	.8	.8	.8	.8	.8	.8	.8
2a	Nominal GDP (in millions \$)	119.9	124.7	119.5	122.7	133.6	144.7	157.7	170.1
2b	Nominal GDP per capita	6,266	6,465	6,146	6,265	6,732	7,267	7,845	8,420
2c	- annual change in %	5.6	4.0	-4.2	2.7	8.8	8.3	8.9	7.8
3	Real GDP (annual change in %)	n.a	n.a	n.a	0.6	6.1	5.4	3.0	2.5
4	Gross fixed capital formation (in % of GDP)	n.a	n.a	n.a	n.a	n.a	n.a		
International transactions									
5	Exports of goods and services (in % of GDP)		13.3	17.0	6.9	4.4	9.3		
	- of which the most important: ... (in % of GDP)								
6	Trade balance (in % of GDP)		66.8	63.9	65.0	75.9	63.4		
7	Current account balance (in % of GDP)		7.6	9.2	7.8	9.4	10.4		
8	Net inflows of foreign direct investment (in % of GDP)		10.4	7.5	5.2	10.1	12.9		
9	External debt (in % of GDP)	166.9	160.4	167.4	158.3	253.0	222.2		
10	Service of external debt (in % GDP)	12.0	5.6	6.0	10.4	13.7	12.6		
11	Foreign exchange reserves (in months of imports of goods and non-factor services)	n.a							
Government									
12	Revenues (in % of GDP)	50.8	42.6	42.9	53.7	53.2	56.2		
	- of which: grants (in % of GDP)	26.5	17.2	18.8	27.9	27.0	30.2		
13	Expenditure (in % of GDP)	70.5	64.0	67.0	62.2	60.5	70.4		
	- of which: capital expenditure (in % of GDP)	10.4	12.3	17.6	12.5	15.0	24.6		
14a	Deficit (in % of GDP) including grants	-19.7	-21.3	-24.1	-6.1	-7.3	-14.2		
14b	Deficit (in % of GDP) excluding grants	-46.2	-38.5	-42.9	-33.9	-34.3	-43.7		
15	Debt (in % of GDP)								
	- of which: external (in % of total public debt)								
Other									
16	Consumer price inflation (annual average change in %)		-1.8	-1.3	0.9	5.0	3.9		
17	Interest rate (for money, annual rate in %)		n.a	n.a	n.a	n.a	n.a		
18	Exchange rate (annual average of national currency per 1 €)		n.a	n.a	n.a	n.a	n.a	1.3	1.45
19	Unemployment (in % of labour force, ILO definition)	2.3					4.2		
20	Employment in agriculture (in % of total employment)	7.8					5.7		

Average Earnings by Industry : 1991 – 2005 (000's)

Industry	Years							
	1991	1993	1995	1997	1999	2001	2003	2005
Agriculture, Hunting, Forestry	3,347	2,560	2,466	2,741	3,008	2,919	2,318	2,523
Fishing	4,635	5,535	4,855	4,378	4,683	3,832	4,267	4,095
Mining and Quarrying	4,908	5,803	6,391	8,423	8,202	6,626	6,770	4,796
Manufacturing	3,982	4,213	4,066	4,205	4,573	3,805	5,033	5,480
Electricity, Gas and Water Supply	7,406	8,468	8,922	10,963	10,820	11,739	11,791	10,980
Construction	4,001	4,522	4,874	4,779	5,066	5,794	6,121	6,388
Wholesale and Retail Trade	4,676	5,049	5,247	5,473	5,910	6,153	5,964	5,810
Hotels and Restaurants	4,812	5,408	5,796	5,713	6,431	6,047	5,345	5,692
Transport, Storage and Comm.	5,711	7,714	8,025	7,959	9,181	9,491	9,730	9,998
Financial Intermediation	10,118	11,637	12,341	12,452	13,616	13,078	14,395	17,314
Real Estate, Renting and Bus. Act.	5,863	5,520	5,323	6,595	7,470	7,359	8,347	8,300
Public Administration	8,321	8,747	9,921	10,480	10,699	11,027	11,863	11,829
Education	7,750	7,382	7,338	7,796	8,421	8,445	9,119	8,736
Health and Social Work	7,640	8,647	8,376	7,933	9,923	11,599	11,349	8,987
Comm., Social & Per. Service Act.	4,866	4,805	4,667	4,876	4,783	4,528	4,347	4,338
Private Household With Employ. Pers.	1,234	1,612	1,367	1,585	1,585	1,735	1,681	1,662
Extra-Territorial Org. and Bodies	8,605	6,777	7,773	7,757	8,409	8,459	10,978	11,623
Overall Average (weighted)	6,375	6,825	7,183	7,356	7,704	7,540	7,802	7,663

Source: Social Security Administration/ Office of Statistics

KEY SOCIAL DEVELOPMENT INDICATORS

Type	Indicator	2000	2001	2002	2003	2004	2005	2006	2007
Impact	1. Proportion of population below \$1 per day ¹	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	2. Prevalence of underweight children (under-five years of age)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	3. Under-five mortality rate	14	n/a	n/a	n/a	n/a	11	n/a	n/a
Outcome	4. Net enrolment ratio in primary education	96.4	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	5. Primary Completion Rate	98.8	n/a	n/a	n/a	119.1	115.4	n/a	n/a
	6. Ratio of girls to boys in:	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	- primary education								
	- secondary education								
	- tertiary education								
	7. Proportion of births attended by skilled health personnel	n/a	n/a	100	n/a	n/a	n/a	n/a	n/a
	8. Proportion of 1 year old children immunised against measles	83	91	99	99	99	98	n/a	n/a
	9. HIV prevalence among 15-24 year old pregnant women	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	10. Proportion of population with sustainable access to an improved water source	n/a	n/a	n/a	n/a	85	n/a	n/a	n/a

Source: UN Millennium Development Goals Statistical Website/ <http://mdgs.un.org/unsd/mdg> (last update Dec 2007)

¹ An equivalent indicator based on national poverty lines can replace indicator 1, as appropriate.

B) Annexes with a retrospective character:

Annex 2: EDF Financial situation

		TOTAL ALLOCATION (in Million EURO)	COMMITTED	UNCOMMITTED	RATE OF COMMITMENT %
9th	Envelope 'A'	2.0	2.0	0.0	100
EDF	Envelope 'B'	0.6	0.6	0.0	100
10th	Envelope 'A'	2.9	0	2.9	0
EDF	Envelope 'B'	0.3	0	0.3	0

C) Annexes with a prospective character :

Annex 3(a) : Indicative time-table for commitments (10th EDF)

	Indicative allocation	2008		2009		2010→	
		1	2	1	2	1	2
1st FOCAL SECTOR – RENEWABLE ENERGY	M €2.47						
- Project 1 : Renewable Energy Programme (MCP)	M €2.47	0	0	0	2.47		
	M €						
2nd FOCAL SECTOR – NONE	M €						
- Project 1	M €						
- Project 2	M €						
NON FOCAL SECTORS	M €0.43						
- Institutional support for non state actors.	M €						
- Technical cooperation facility	M €0.43		0.25				
- Contribution to regional programmes	M €						
-<optional> Support for EPA	M €						
-<optional> Support for Governance	M €						
-Other	M €						
Total Commitments:	M €	0	0.25		2.47		
Total Cumulative Commitments :	M €	0	0.25	0.25	2.72		

Annex 3(b) : Indicative time-table for disbursements (10th EDF)

	Indicative allocation	2008		2009		2010→	
		1	2	1	2	1	2
1ST FOCAL SECTOR – REWABLE ENERGY	M€2.47						
- Project 1 : Renewable Energy Programme	M€ 2.47				0.5	0	1.5
- Project 2 : NONE	M€						
2nd FOCAL SECTOR – <name>	M€						
- Project 1	M€						
- Project 2	M€						
NON FOCAL SECTORS	M€						
- Institutional support for non state actors.	M€						
- Technical cooperation facility	M€0.43		0.1		0.5		0.1
- Contribution to regional programmes	M€						
-<optional> Support for EPA	M€						
-<optional> Support for Governance	M€						
-Other	M€						
Total Commitments :	M€	0	0.1	0	1.0	0	1.56
Total Cumulative Commitments :	M€	0	0.1	0.1	1.1	1.1	2.66