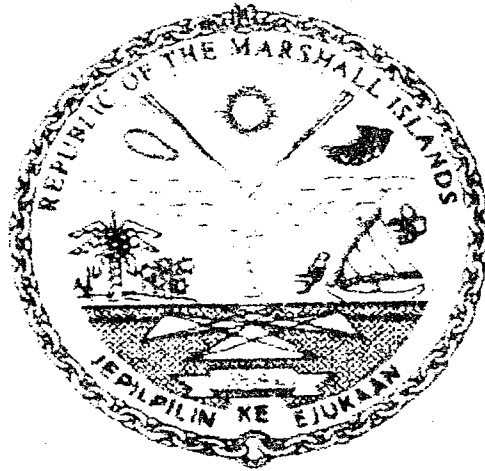


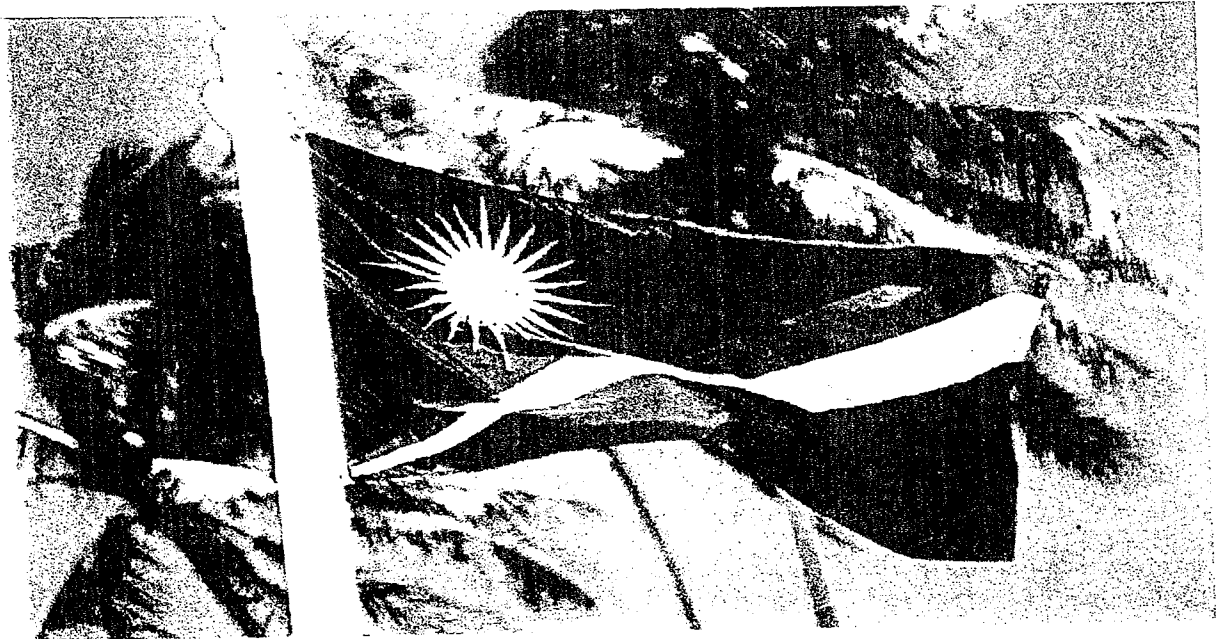
NTC Director

REPUBLIC OF THE MARSHALL ISLANDS



THE STRATEGIC DEVELOPMENT PLAN FRAMEWORK 2003-2018

VISION 2018



JUNE 2001
MAJURO

REPUBLIC OF THE MARSHALL ISLANDS

THE STRATEGIC DEVELOPMENT PLAN FRAMEWORK
2003 - 2018

Vision 2018

“JEPILPILIN KE EJUKAAN”

Incorporating the Outcome of NESS2, numerous Technical Reports on the Marshall Islands, and results of extensive deliberations conducted by the SEDP Coordination and Steering Committee, and Working Sub-Committees

SEDP Project Office
Ministry of Finance
Government of the Republic of the Marshall Islands

June 2001
Majuro

CONTENTS

Foreword

Table of Contents	i-v
Chapter 1: Introduction	1-7
Chapter 2: The Context	8-37
I. The Socio-Economic Record	8
a. Political Developments	8
b. Social and Economic Development	10
i. Majuro – The Capital	10
ii. Ebeye – The Second Urban Center	10
iii. Outer Islands	11
c. Quality of Life	
i. General Trends	14
ii. Housing Conditions and Amenities	15
iii. Population Trends and Health Status	15
iv. Educational Progress	25
d. The Economy	
i. Gross Domestic Product	28
ii. Employment and Unemployment	28
iii. Prices, Wages and Inflation	28
iv. Exports, Imports and Balance of Payments	29
v. Economic Structure and Role of Government	29
vi. Progress in Regard to Policy Reform Program	29
II. The International Context	33
III. Implications for Policy	36

Chapter 3: National Goals & Objectives	38-43
I. The Ten Challenges	38
II. Goals and Objectives	39
Goal 1 Operating in an interdependent world	39
Goal 2 Enhanced socio-economic self-reliance	39
Goal 3 An educated people	41
Goal 4 A healthy people	41
Goal 5 A productive people	41
Goal 6 Law-abiding people	42
Goal 7 God-loving people	42
Goal 8 Respecting individual and fundamental human rights	42
Goal 9 Respecting culture and traditions	43
Goal 10 Environmental sustainability	43
Chapter 4: The Broad Strategies	44-100
I. Macroeconomic Framework	44
a. Policy Coordination	44
b. Governance	46
c. Strengthening the Financial and Fiscal System	47
d. Creating Favorable Investment Climate	48
e. Improving Resource Allocation	50
f. Foreign Affairs and Trade	54
g. Infrastructure	55
h. Environmental Sustainability	58
II. Human Resources Development	60
a. Education	60
b. Skills and Training	67

c. Health and Population	70
i. Health Situation	70
ii. Health Sector Strategies	71
iii. Population	73
d. Spirituality and Character Development	75
III. The Productive Sectors	78
a. Agriculture	78
b. Fisheries	81
c. Tourism	84
d. Manufacturing	85
i. Overall Strategy	86
ii. Expansion of Productive Capacity	86
iii. Product Development	87
IV. Outer Island Development	88
a. Introduction	88
b. The Rationale for Outer Island Development	89
c. Outer Island Development Strategies	91
V. Science and Technology	95
VI. Culture and Traditions	98
Chapter 5: Implementation	101-108
I. Participation of All Stakeholders	101
II. Implementation	104
a. Master Plans and Action Plans	104
b. Political Commitment	104
c. The National Budget	105
III. Monitoring and Evaluation	108

Tables

Table 2.1 Infrastructure Development 1987-1999	13
Table 2.2 Quality of Life Indicators 1980-1999	18
Table 2.3 Quality of Life Indicators 1980-1999	21
Table 2.4 Quality of Life Indicators 1980-1999	22
Table 2.5 Health Status Indicators 1988-1999	24
Table 2.6 Macroeconomic Indicators 1987-1999	32
Table 4.1 Annual Budget for Plan Implementation	54
Table 4.2 RMI Scholarship Program	65
Table 4.3 Health Targets 2018 – 1998-2017	73

Charts & Diagrams

Chart 2A Quality of Life Indicators 1980-1999	18
Chart 2B Quality of Life Indicators 1980-1999	19
Chart 2C Quality of Life Indicators 1980-1999	20
Chart 2D Quality of Life Indicators 1980-1999	21
Chart 2E Quality of Life Indicators 1980-1999	22
Chart 2F Health Status Indicators 1988-1999	23
Chart 2G Health Status Indicators 1988-1999	23
Chart 2H Education Indicators 1988-1999	26
Chart 2I Education Indicators 1988-1999	27
Diagram A Implementation of Vision 2018	102
Diagram B Features - Strategic Development Plan	103

Photos

A Small Island	2
A Beautiful Sunset	7
Number of Small Islands of Majuro Atoll	7
Majuro Today 2001	8
The Capitol Building	9
Marshall Energy Company (MEC)	12
A Shot of Ebeye	12
Arno Atoll	13
A Gathering of Women	17
A Gathering at Laura Village	17
A Big Catch	31
Sunrise in the Outer Island of Jaluit Atoll	31
Chain of Small Islands at Majuro Atoll	53
Majuro Uliga Dock	56
A Factor contributing to Sustainable Development	59

Photos (cont.)

The Future Leaders of the RMI	61
Net-Throwing- A Fishing Skill	68
Living Healthy Lifestyle – Children of the RMI	71
Another Beautiful Sunset over Majuro Lagoon	77
Copra Drying under the Sun	80
Fishing Boats in Majuro Lagoon	81
Sustainable Marine Life	83
Rich Marine Life of the RMI	85
Quality Product for Export, Handicrafts	87
Potential for Development on the Outer Islands	88
A Beautiful Small Island on Jaluit Atoll	94
A Fishing Trip out of Majuro	97
Traditional Canoe Racing	98
Traditional Fishing Trap	100

FOREWORD

Introducing Our Vision 2018

The **Vision 2018** is the first segment of our Strategic Development Plan for the next 15 years. It incorporates the broad Vision of our Nation as to where we would like to be in the year 2018 in terms of our sustainable development. In this document the Vision is spelled with respect to our long term goals, objectives and strategies, which were developed through an extensive consultative process starting with our Second National Economic and Social Summit and then followed by extended deliberations by various Working Committees established by the Cabinet. The second and third segments of the Strategic Development Plan will consist of Master Plans focusing on major policy areas, and the Action Plans of Ministries and Statutory Agencies. These documents will show programs and projects together with the appropriate costing. It is also our intention for all Atoll Local Governments to develop Action Plans tailored towards the achievement of our National Vision. Starting immediately after the adoption of **Vision 2018**, Master Plans will be developed in the following major policy sectors: Human Resources Development, Outer Islands Development, Culture and Traditions, Environment, Resources and Development, Information Technology, Private Sector Development, Infrastructure, and Tourism. In addition, Action Plans of Ministries and Statutory Agencies will be developed in order to state in detail the respective programs of action aimed at achieving the targets identified in the Master Plans.

Chapter 1

Introduction

Nation building requires among other things visioning, patience, understanding and perseverance. The process takes time especially since we need to change our attitudes. Our beloved country has lived through immense experience and transition from structures that evolved during our pre-colonial and colonial times, and up to now, we are still experiencing the aftermath of post-colonial evolving relationships and balances of power and wealth.

We are now approaching the end of our First Compact with the United States, which lasted from 1986 to 2001. For the past 15 years we have benefited from the United States for which we are grateful to the goodwill of the People and the Government of the United States. Through our Compact of Free Association, we were able to steer forward the development of our nation. On the same token, we would like to express our gratitude and thanks to the continued assistance of our other bilateral donor friends as well as the numerous regional and international organizations. This time, we the Government and the People of the Marshall Islands are embarking once again on a critical stage in our national development process. The re-negotiation of our Compact with the United States will commence in a few weeks time.

And therefore it is most appropriate for us as individuals, families, communities, and as a nation to take the time to reflect and take stock of our contributions and accomplishments during the first 15 years of our independence. At the same time, we must undertake a self-assessment of our individual selves and assess how we have managed during our First Compact, and whether we need to do better. Since the start of our First Compact in 1986, two Five-Year National Development Plans were produced. The Third National Development Plan for 1996 to 2001 was the Public Sector Investment Program (PSIP) following the Policy Reform Program (PRP), which took place from 1995 to 1997. Until now, our concern has been to do with the fact that these Plans were hardly followed and this time around, it is our sincere hope that we must now make the genuine commitment to ensure this Strategic Development Plan Framework is implemented. During the same period up to the early part of this year, numerous technical reports and studies were conducted in our country. Analysis of these reports were presented to the peoples' representatives comprising of some 300 participants, at the Second National Economic and Social Summit (NESS2) held on Majuro from 26 March to 1 April 2001.



A Small Island, in the Marshall Islands, by Courtesy of MIVA

NESS2 was the culmination of our national planning preparations in getting ourselves organized not only in time for the re-negotiation of our Compact but more so to seriously talk issues and solutions the Marshallese Way. At the NESS2, our National Vision was discussed and

endorsed. In the month of May, our National Vision was further refined extensively and developed by a number of Working Committees established by the Cabinet. We did this because we wanted to make sure we understand fully the meaning of the various elements stipulated in our National Vision that states:-

“to become a country within an inter-dependent world, with an enhanced socio-economic self-reliance, an educated, healthy, productive, law-abiding and God-loving people in which individual freedom and fundamental human rights are protected and culture and traditions are respected and development and environmental sustainability are in harmony

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Vision 2013, presented in this document as our Strategic Development Plan, is the product of our reformed planning process where we have consulted extensively with representatives of all strata of our society. It is basically a detailed explanation of our National Vision having accounted for all the numerous technical studies carried out earlier, and the resolutions and “CALLS TO ACTION” by NESS2. Planning is the foundation for any productive accomplishment. In fact, planning takes place at many levels of society, including at the family level where Marshallese families continue to be involved in planning activities in one form or another. This time our planning approach followed that of many South East Asian and African countries whose experience can offer some lessons for us as well. However our **Vision 2013** is very much unique to the Marshall Islands in many ways and its significance is that we now own our Plan. Already following the extensive consultative meetings starting with NESS2 and the Working Committees, the spirit of coordination and partnership within all strata of our society is being revived. Moreover, it certainly has re-emphasized the need for greater coordination and partnership between all Government Ministries, Statutory Agencies and the People.

Vision 2018 sets out in very broad terms our goals and objectives for the next 15 years and how we would like to go about achieving them. As we reflected and debated on our way forward, it became clear

that we must know where we are now, and where we want to go over the next 15 years. We have particularly chosen a 15 years period mainly to align it with the duration of our Compact with the United States. But it was gratifying, and it just cannot be a pure coincidence, that in the process of formulating our **Vision 2018**, we discovered that in fact our National Vision endorsed at the NESS2 was merely an expansion of our National Motto, “*Jepilpilin Ke Ejukaan*”.

“*Jepil*” refers to the traditional distributive norm of our people where skills or knowledge is passed down to the children when one dies or leaves our shores. And “*Ejukaan*” refers to an Island abundant with resources and having a society with capable human resources. Our ancestors have lived their lives in the context depicted by our National Motto – capable and skillful, having abundant resources to tap in order to continue the “good and sustainable livelihoods” of our Marshallese people. The dynamics and “good life” aspired by our National Motto appear to have been gradually eroded over the years of our First Compact with the United States. This would mean that in the years to come our identity as Marshallese could disappear if we do not take urgent steps to reverse the past trend.

But while appreciating the goodwill of the United States, and albeit that some of us look upon US assistance in view of our strategic importance, we must nevertheless come to a point where we are able to stand on our own “two feet”. We have certainly achieved varied degree of self-reliance in

“Jepilpilin Ke Ejukaan”

terms of our physical development as we can see by the standard of our physical infrastructure on Majuro. Some of these infrastructure including houses, hotels, roads and others are comparable to those in any other developed nations. We have yet to acquire a sense of purpose and true “human” independence in the way we live. This simply means that while we have gained in one way or another over the past 15 years, from our Compact of Free Association with the United States as well as foreign aid from our other donor partners, we have not really addressed the human development issues concerning our people.

Therefore we must be seen as a People striving to build on our own sweat and effort, to gradually eradicate the “dependence syndrome” within our beings. For as the saying goes, “skilled fishers are those that not only eat fish all the time but also possess the know-how to catch abundant fish to replenish the supplies”. On the same token, while we have indeed benefited from our Compact of Free Association with the United States, we must also possess the know-how to create our wealth from our own sources. It is this “know-how” that is saliently lacking. We need to establish our own sources of wealth, tap on the potentials we have and build on from there, and when comes a time when there is no more Compact, we would have by then already established a “reserve” upon which we can continue to pursue the development aspirations of our people.

As we therefore face forces of changes from abroad, we must first of all assess our own capabilities and capacities within our society, and build on these assets to enhance the “good life” aspired by our National Motto. In doing so, we would also redirect our attention to strengthen and enhance our pride in our culture and traditions so that our identity as Marshallese will perpetuate into infinity. But first we must establish the essential conditions:

- First and foremost is that we must “help ourselves first”;
- We must also undergo far-reaching change in our attitudes and behavior at all levels of our society: Government, Local Governments, Private Sector, Civil Society and our Atoll Communities;
- Our Government ought to concentrate on capacity building and make substantial improvements in the management of our public finances and economic assets and to fully commit to the principles of transparency and accountability;
- We would need considerable improvement in the capacity of our Public Service to instill innovation and competency among our political leaders and civil servants thus pointing further to the need to embark on an aggressive Human Resources Development Program; and
- There is also the apparent need to rebuild on the lessons from our Culture and Traditions where environmental sustainability has always been a major consideration in the lives of our atoll communities.

“Jepilpilin Ke Ejukaan”

Our ability to create our own sources of wealth would depend very much on our commitment as Marshallese to changing our attitudes to work, becoming more patient, enduring, dedicated, and honest. We would still look beyond our shores for assistance. But the responsibility is on us, the Government and the People of the Marshall Islands. Like our neighboring small Island states, which have achieved higher level of sustainability and self-reliance, we can also do it. In the eyes of GOD all human beings are equal. It is the human beings that inflicted all the disparities among all races in this world. As Marshallese, we can also do equally well just like any other race in this world. **Vision 2018** is our opportunity to become more dynamic, have a sense of purpose and dignity, become more self-reliant, and achieve greater degree of true human independence and only then we can truly make “*Jepilpilin Ke Ejukaan*” a living Motto for all of us.

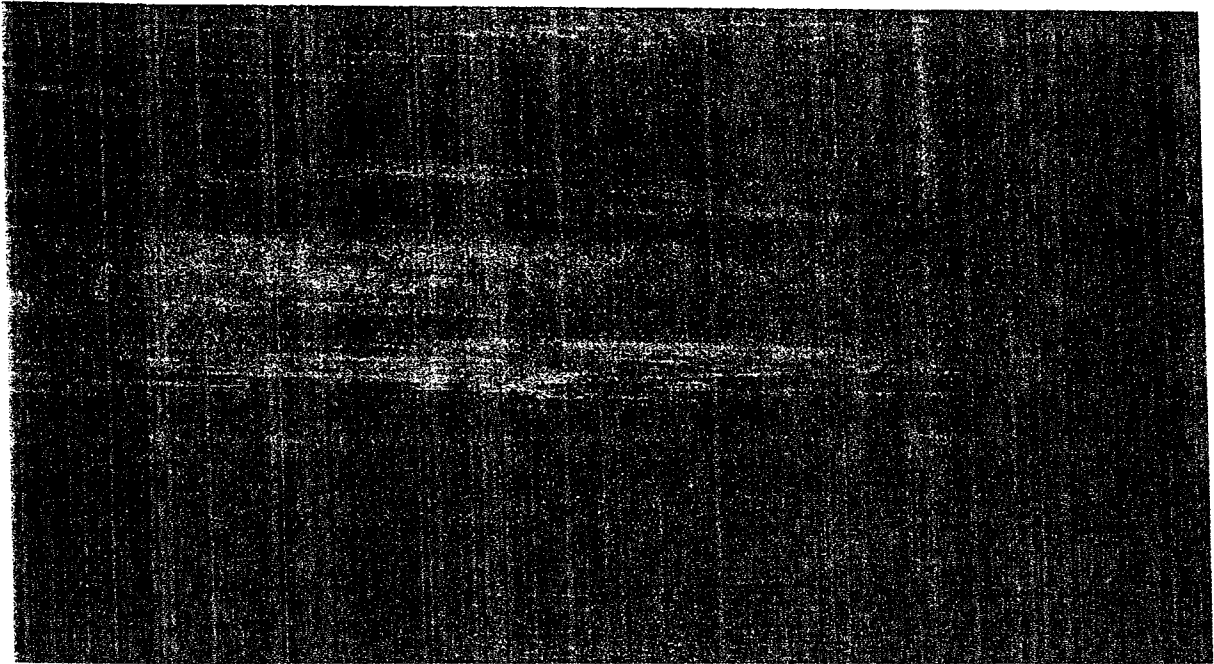
The next step after having adopted our **Vision 2018** is to transform this Plan Framework into actions. We will be developing Master Plans based on major sectors, and Action Plans for all our

Ministries and Statutory Agencies that map out clearly the priority activities for each sector of our economy. Critical to the transformation process of our Plan into actions, is the integration of our Budgeting Process to ensure it complements the priority programs and projects stipulated in our **Vision 2018**. As the saying goes, “Rome was not built in a DAY” and thus we need to exert patience and understanding. We are going through a reform process and we acknowledge that it will not be an easy task especially when we need to change the attitudes of our people. This calls for the need to change our attitudes towards more hardworking, co-operation and coordination, dedication, commitment, patience, understanding, trusting and honesty both at the family and national level. The process requires time before we can realize positive impact. But we look upon our National Government to set the example and provide the competent leadership making sure each and every public servant understands his/her duties and possess the know-how in carrying them out efficiently..

Our **Vision 2018** presents 5 Chapters:-

- **CHAPTER 1: INTRODUCTION-** explains the **Vision 2018**, the way forward, and a presentation of the required enabling conditions and principles to ensure the achievement of our aspired goals and objectives;
- **CHAPTER 2: THE CONTEXT-** describes (i) the socio-economic accomplishments, both the successes and failures, of our country during the fifteen years of our First Compact with the United States, and (ii) the emerging international trends that are particularly important for us to take account in the formulation of our policies;
- **CHAPTER 3: NATIONAL GOALS AND OBJECTIVES-** outlines the ten broad goals derived from our National Vision including specific objectives for each goal;
- **CHAPTER 4: THE BROAD STRATEGIES-** describes the range of options on how we would like to achieve the ten national goals we derived from our National Vision; and
- **CHAPTER 5: PLAN IMPLEMENTATION-** presents the overall organizational structure upon which this **Vision 2018** shall be implemented including the immediate major policy initiatives.

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A Beautiful Sunset, by Courtesy of MIVA



Number of Small Islands of Majuro Atoll, by Courtesy of MIVA

Chapter 2

The Context

I. The Socio-Economic Record

a. Political Developments

The Marshall Islands became a sovereign, independent country in October 1986, ending over 125 years of foreign control. That same year the 1945 UN Trusteeship Council Agreement under which our Islands were administered as the Trust Territory of the Pacific Islands, was terminated. With that termination our country became independent retaining however a special political, economic and defense relationship with the United States, under what is known as the Compact of Free Association Agreement. That Agreement recognizes our self-governing status and provides for

reciprocal obligatory relationship between our country and the United States, where we allow the latter, the right of strategic denial in exchange for annual payments, and receive the right of our citizens to live and work in the United States. The security and defense relations, grants the United States exclusive military access to our country in return for a guarantee of defense against third parties. It also provides for the leasing of most parts of Kwajalein Atoll for military use of the United States for an initial period of 15 years and with an option for another 15 years.



Majuro Today, 2001, by Courtesy of MIVA

“Jepilpilin Ke Ejukaan”

Over the past 15 years we have successfully established ourselves as a fully sovereign nation within the world community. Diplomatic relations has been established with over 70 countries. Our country has acceded to membership of several multilateral organizations including the United Nations, the IMF and the World Bank, ACP/EU and regional organizations

such as ESCAP, Pacific Forum and, Asian Development Bank. We have also acceded to many important international protocols and have established a Mission at the United Nations in New York and Embassies in Washington D.C. in the United States, Tokyo, Japan, Suva, Fiji and the Republic of China, as well as a Consulate-General Office in Honolulu, Hawaii.



The Capitol Building, by Courtesy of MIVA

**b. Social and Economic
Development**

i. Majuro – The Capital

The truth of the old saying, “ a picture is worth a thousand words” is perhaps most apt in summing up the many faceted socio-economic development in our country over the past 15 years. The physical landscape of Majuro has transformed so much since the 1980s that anyone who visits the country after fifteen years would hardly recognize the place. Numerous developments have contributed to this phenomenal change. Not only is the Capital much cleaner now, but also there has been a vast growth in real estate. The number of buildings including both commercial and residential, has doubled from 1618 in 1980 to 3156 in 1999. This construction boom has resulted, among others, in the growth of the Long Island area from the bridge to the Airport, which was hardly occupied in 1985 into a suburb of modern residential houses, embassies, supermarkets, restaurants, tennis courts and gymnasiums. Even the 20-mile stretch from the Airport all the way to Laura at the end of the Atoll is showing signs of rapid real estate development. Many more people today commute daily from Laura to Majuro city for work.

Other major factors that have so much changed Majuro's landscape include an impressive new Capitol building, a new hotel resort, supermarkets and a notable expansion in infrastructure services of electricity water supply and

telecommunications. Most roads in Majuro including the secondary roads from Rita to Laura are tar-sealed. This includes a two-lane boulevard from the bridge to the Capitol building in Delap. The frequent power outages in the pre-1986 era no longer occur and water shortages are rare. With the fast growing use of e-mail and faxes, the telex machines, which used to be the most common means of rapid communications before 1990 have become history.

ii. Ebeye – The Second Urban Center

Ebeye, the other major urban center in our country, has witnessed improvements in recent years in the provision of electricity and water supply and a sewage services. The construction of a new hospital facility is under way and should be opened by the end of this year. This will ensure that health problems that are prevalent on Ebeye are addressed internally. The management of the power plant, KAJUR, has recently been privatized and the new management has made considerable progress in terms of collecting arrears of revenue. Moreover, the Causeway between Ebeye and Gugeegu Island is halfway completed and part of the excess population from Ebeye has been able to move out to Gugeegu as planned. This has helped reduce the congestion on the island of Ebeye. The telecommunication services have improved significantly. Extension and improvement in the water supply and sewage system in progress and should be completed before the year is over. Renovation of the Desalinization Plant has been undertaken and once completed, will

lead to a considerable improvement in the water supply situation. In regard to education, the College of the Marshall Islands had established a second Campus on Gugeegu and has been successful in its operations for the last six years. More people in Ebeye have been able to find employment in the U.S Military Base in Kwajalein. The number of person so employed increased from 1100 in 1988, to over 1800 in 1999.

Despite the above progress, much more needs to be done on Ebeye to improve the quality of life of our people there. For example utility services are still far from adequate, as are education and health care services. Many of the houses are congested and are of poor quality. There is a need for greater local capacity building and training of personnel in the health, education and environmental sectors. There is a need for greater improvement in solid waste management. There is also a need for improvement in income distribution. When **Vision 2018** is translated into action plans, programs will be developed in coordination with the Kwajalein Atoll Development Authority (KADA) and Kwajalein Atoll Local Government Council (KALGOV) to address these important issues.

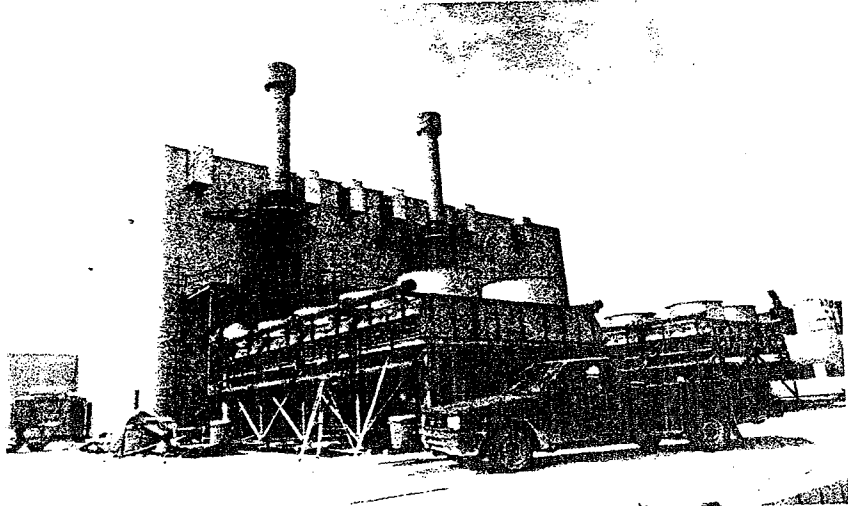
iii. Outer Islands

While our Capital has developed fast at a relatively fast speed, the developments in the Outer Islands have

lagged behind. First of all, the infrastructure facilities in the Outer Islands have developed only slowly. For example, diesel generated electricity is available to all the households in Kili for lighting and to some extent in Jaluit, solar energy is used by a limited number of families in 16 other Outer Atolls. Most households in the Outer Islands use kerosene and firewood for cooking. Piped water is not available in almost all the Outer Islands. Although the quality of houses in the Outer Islands has improved to some extent, such progress has not matched that of Majurso. There are no private telephones in Outer Islands: common radio communication systems serve this need in the Outer atolls. Similarly, land, sea and air transport systems to the Outer Islands are still inadequate. Most of the Outer Island runways are not paved as yet resulting in a high degree of wear and tear for the Air Marshall aircrafts, which supplies the domestic air services.

The limited Outer Islands Development in some of these areas would become clearer from the discussion in the next section. As is explained in Chapter IV below, Outer Island development is one of the high priorities identified in **Vision 2018**. The main strategies for such development are identified in the present document. The detailed action plans that follow from those strategies will be developed shortly in an Outer Islands Development Master Plan.

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Marshall Energy Company (MEC), by Courtesy of MIVA



A Shot of Ebeye on Kwajalein Atoll, by Courtesy of Ebeye Hospital Project

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Table 2.1: Infrastructure Development 1987-1999

Type of Infrastructure	1987	1999
Electricity: Total Annual Power generated (MW hrs) Majuro	35,717	62,931
Total Number of Clients	1671	3034
Total revenue Collected (\$'000)	1839	6362
Total annual quantity of water produced ('000 Gallons)		146,154
Number of telephones	1400	3915
Number of internet subscribers	0	324
Length of tar sealed roads (miles)	95	112
Number of airports	24	27
Number of locations with seaports	10	66
Number of field trip ships serving Outer Islands	6	7
Number of flights to the Outer Islands	1404	1592
Number of private vehicles registered	1080	2575
Annual weight of mail handles by the post office ('000 lbs.)		1,050
Amount of diesel sold to foreign fishing boats ('000 gals)		11,550
Number of hospitals and health centers	60	67
Number of schools	103	119
Number of Atolls with solar power	16	17
Number of fish bases and allied facilities	2	8
Number of locations of hotels/resorts	2	7
Number of places with modern local government headquarters	1	5
Number of locations with power plants	2	5

Source: Marshall Islands Statistical Abstract 1999, MWSC & NTA

Table 2.1 above shows the improvement in our infrastructure services, which underlay our socio-economic progress over the past 15 years.



Arno Atoll, by Courtesy of MIVA

c. Quality of Life

i. General Trends

Measuring changes in the quality of life of a nation is no easy task because of the complications involved by its many dimensions and because of the diversity of statistical data required. Our National Vision aims at achieving sustainable human development, which means increasing the opportunities available to our people to improve their lives by further developing their capabilities. Among the many capabilities that are needed for improving the quality of life of our people, three are generally accepted as crucial. These are:-

- the ability to lead long and healthy lives;
- the ability to be knowledgeable; and
- having access to resources needed for a decent standard of living.

Our achievements in regard to quality of life in the above sense can broadly be summarized in terms of three indicators developed for the Pacific Island Countries by UNDP. The first of these is the Human Development Index (HDI). It takes into account the status of three factors: the average length of life of the people (Life Expectancy), average level of knowledge (Adult Literacy and a combination of primary, secondary and tertiary enrollment) and the value per person of goods and services produced in the country in a year (average GDP). In terms of this indicator,

the HDI value assessed for our nation in 1999 was 0.563 on the basis of which we ranked 10th country among 15 Pacific Island countries. The way the index has been constructed reads that, when the index value is higher, then a country is better off than when the value is lower. A general impression as to where our country stands in regard to this index can be obtained by looking at some of the other Pacific Island countries. For example, in the same year of 1999, Palau ranked number one with an index value of 0.86 while Papua New Guinea with an index value of 0.314 ranked number 15 in the group.

Another indicator that has been developed by UNDP for the Pacific Island Countries is the Human Poverty Index (HPI). That index is a way of measuring relative poverty in the sense that there are people who are very much disadvantaged and deprived compared to other people in a nation. This index reflects the proportion of the total population that is not expected to survive to the age of 40, the proportion of underweight children less than 5 years and the proportion of people without access to safe water and health services. In terms of this index our country with an index value of 19.5 ranked 11th among 15 Pacific Island Countries. In the case of this index, a country is considered better off when the index value is lower. Again, in comparison, Niue with an index value of 4.8 ranked Number One and Papua New Guinea with an index value of 52.2 ranked number 15 among the group.

The third index, which is known as the Vulnerability Index is a way of quantitatively expressing the manner in which small Island countries are vulnerable to external economic changes and environmental shocks. Our country is not yet included in the list of countries for which such an index is calculated. However, the 1999 Pacific Human Development Report published by UNDP states that our country is vulnerable to coastal flooding, moderately vulnerable to cyclones and droughts and exposed to the impact of sea level rise caused by Global Warming.

The above indicators show that broadly speaking much progress is needed in our country in terms of improving the quality of life of our people. Having said that, however, the following sections summarize the changes in our country in regard to our housing conditions, our population trends and health status and our progress in regard to education.

ii. Housing Conditions and Amenities

Our **Vision 2018** refers to elsewhere, under appropriate sections where we as a nation have will continue to improve the quality for life of our people to a level that is satisfactory and adequate. In terms of certain internationally accepted material yardsticks, we have made significant progress. Tables given in Section I below (Chart 2A, 2B, 2C, 2D, 2E) reflect the changes in the quality of life of our people over these years. First of all, the

quality of housing has significantly improved over the last two decades. Compared to 1980 more than 80 percent of the houses today are constructed with permanent material and the percentage of houses with modern amenities such as water and electricity, flush toilets, refrigerators, telephones, TVs, vehicles, motor boats, and radio/cassettes had increased significantly. These changes are not limited merely to the urban centers. For example, in the Outer Islands the percentage of households using water-sealed toilets increased from 14% to 22.7% over this period. The percentage of households with electricity for lighting, in the Outer Islands has increased from 8.8% to 13.4%. In regard to solar energy, the number of households using solar power increased from 2.6% to 15.0%. Likewise In contrast, however, only 1% of rural households have piped water.

iii. Population Trends and Health Status

Improvements in the quality of life of our people can also be understood by looking at changes that have occurred in relation to our population trends and health status. Firstly, after three decades of explosive growth the natural rate of our population growth declined to some extent over the period 1988-99 (Table 2:5 and Chart 2F). Compared to an average growth rate of 3.9 percent over the period 1958-88, the growth rate for the period 1988 was 3.7 percent. This was made possible largely by a drop in the total fertility rate from 7.23 in 1988 to 5.71 in 1999. However, allowing for

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migration the actual population growth rate for this period was much lower at 1.5 percent. It appears that due to the uncertainty about the renewal of the Compact Agreement and declining job prospects in our country especially after the reduction in force of the Public Service in 1995-97 many of our citizens migrated to the United States in the latter half of the nineties. According to official projections the level of population expected in 1992 was 63,319. However, the actual population counted at the 1999 Census was only 50,840. The difference has been attributed to large-scale out migration to the United States made possible under the provisions of the “Compact of Free Association.”

Despite a significant reduction in population growth, our population is still young with over 41 percent of it being under 15 years. This phenomenon resulting from high growth rates in population and the labor force, poses two great challenges to our nation. Firstly, as a result of a high proportion of our population being made up of young dependents, we will need to continue spending a significant proportion of our resources on consumption. Secondly, when these youngsters grow up they will add to the, already rapidly growing labor force and more jobs will have to be created to absorb them. It is also important to note

that over the period under consideration our internal migration has also abated. Whereas the urban population increased from 33 percent in 1958 to 67 percent in 1988, in the intercensal period 1988-99 it increased only slightly to 68 percent. Compared to the 57 percent growth of the urban population in the intercensal period of 1980-88, the growth of such population in the intercensal period 1988-99 was only 19 percent.

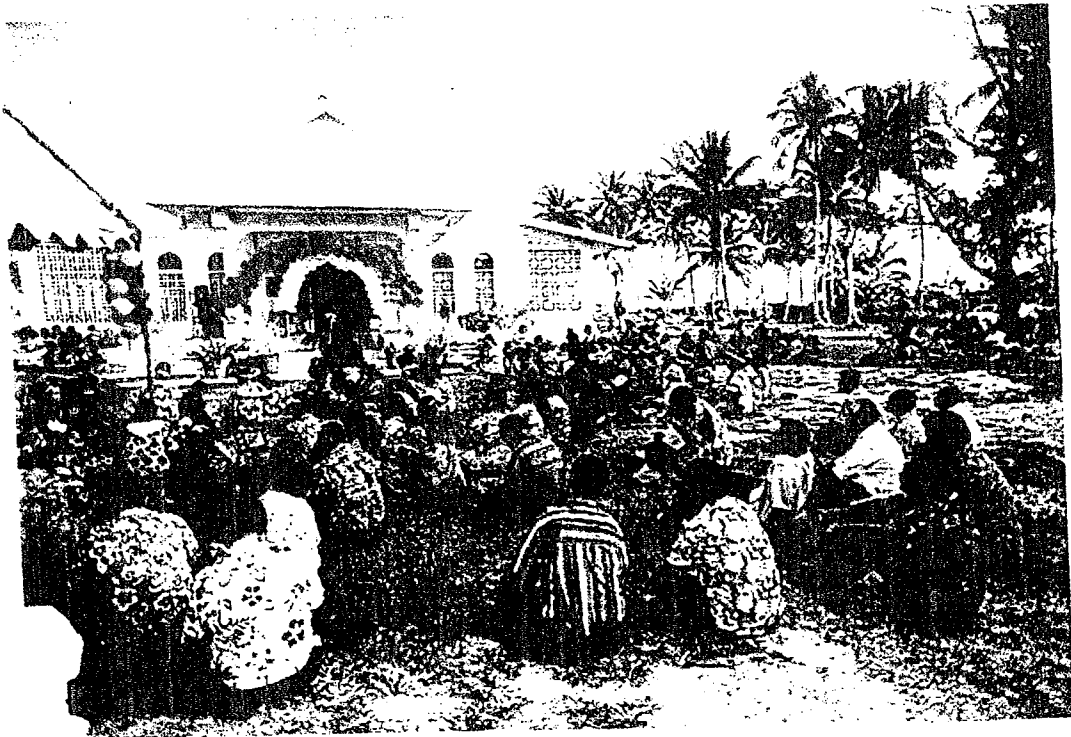
As can be seen from Table 2.5, there has been a considerable improvement in the health status of our population. This is shown by the improvement in the average number of years a person can expect to live (Life Expectancy), the proportion of new born children under one year that die (Infant Mortality Rate), the proportion of children under five years that die (Child Mortality), and the proportion of total deaths per year (Crude Death Rate). Despite these salutary developments, however, the progress in other areas of health services has been slower. For example, there is high incidence of malnutrition among our children and obesity in adults. According to the 1995-1999 Pilot Survey on Nutrition, 27 percent of children below five years in our country were under nourished. Similarly, 57 percent of the population in the age group of 18-50 is considered overweight and obese.

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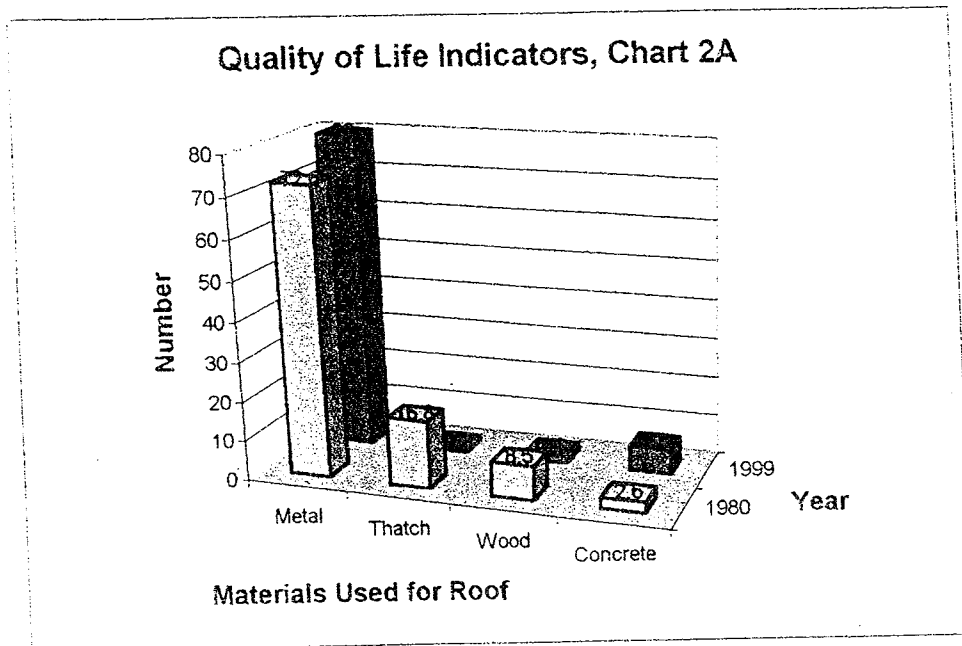


Top: A Gathering of Women, by Courtesy of MIVA

Below: A Gathering at Laura, by Courtesy of MIVA



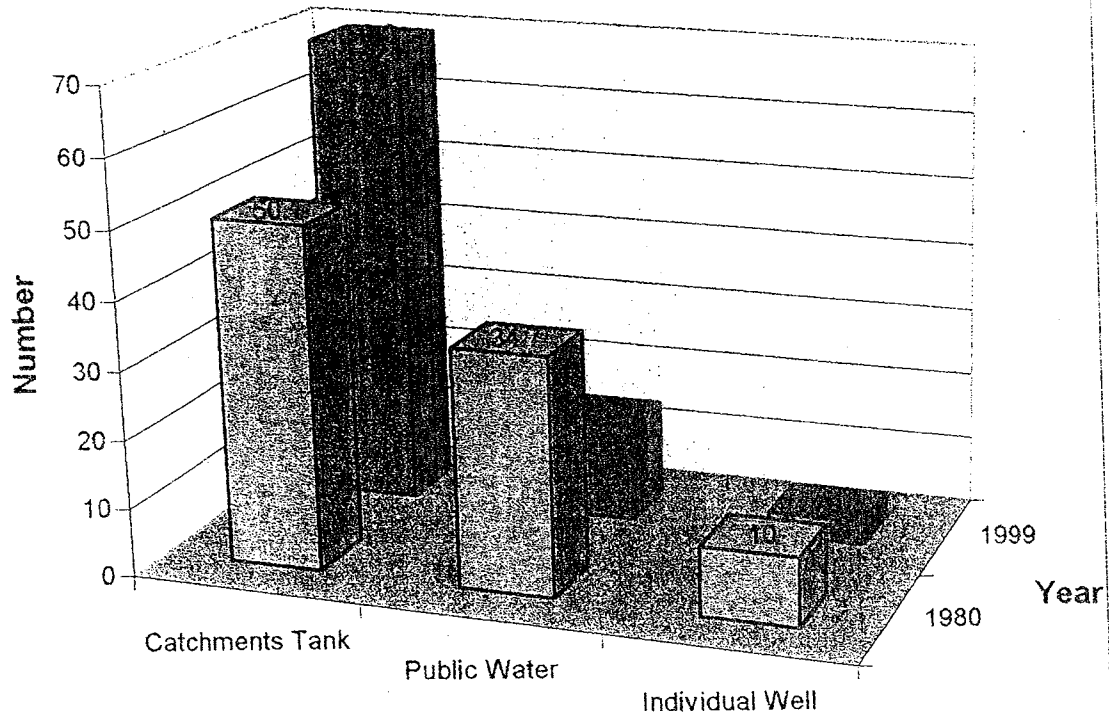
“Jepilpilin Ke Ejukaan”



Sources: 1999 Census of Population and Housing Final Report; and Marshall Islands Statistical Abstract 1999, by Courtesy of OPS

Indicator	1980	1999
<u>Materials used on roofs</u>		
Poured Concrete	2.6	6.1
Metal	72.6	80.0
Thatch	16.8	1.0
Wood	8.5	1.8

Quality of Life Indicators, Chart 2B

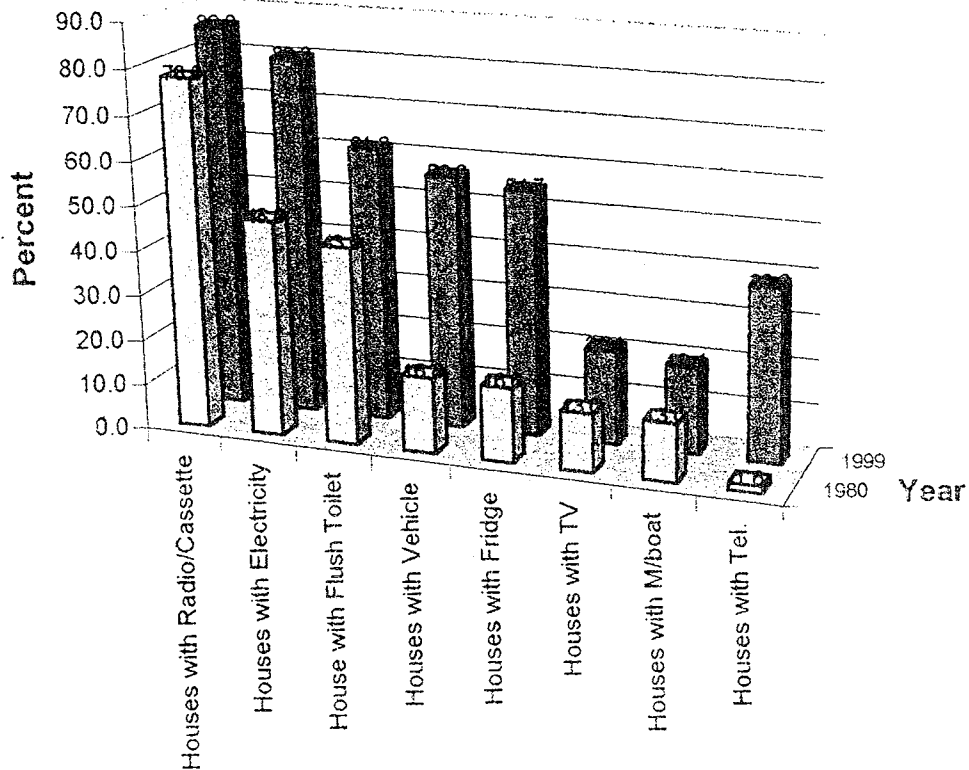


Household Source of Water (% of Houses)

	Catchments Tank	Public Water	Individual Well
1980	50.1	34.7	10
1999	69.3	14.28	3.4

Sources: 1999 Census of Population and Housing Final Report; and Marshall Islands Statistical Abstract 1999, by Courtesy of OPS

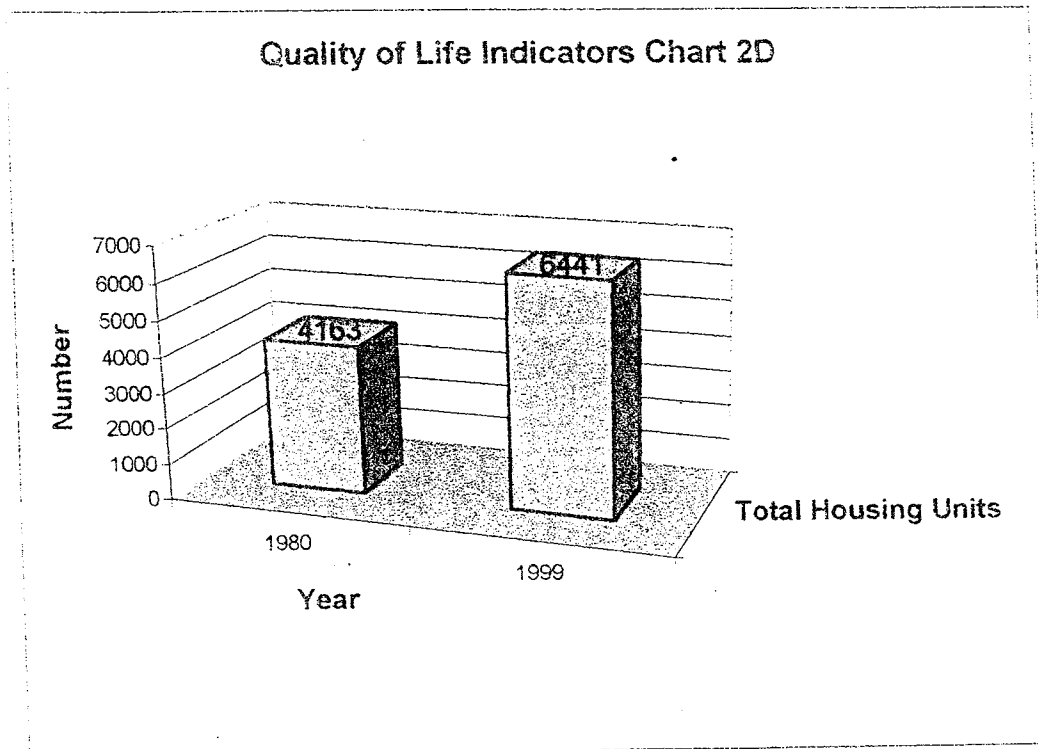
Quality of Life Indicators, Chart 2C



Household Amenities
(% of Houses)

	Houses with Radio/Cassette	Houses with Electricity	House with Flush Toilet	Houses with Vehicle	Houses with Fridge	Houses with TV	Houses with M/boat	Houses with Tel.
1980	78.0	48.0	43.6	16.8	16.6	13.0	13.0	1.6
1999	86.0	80.0	61.3	56.6	54.7	21.1	19.4	38.6

Sources: 1999 Census of Population and Housing Final Report; and Marshall Islands Statistical Abstract 1999, by Courtesy of OPS



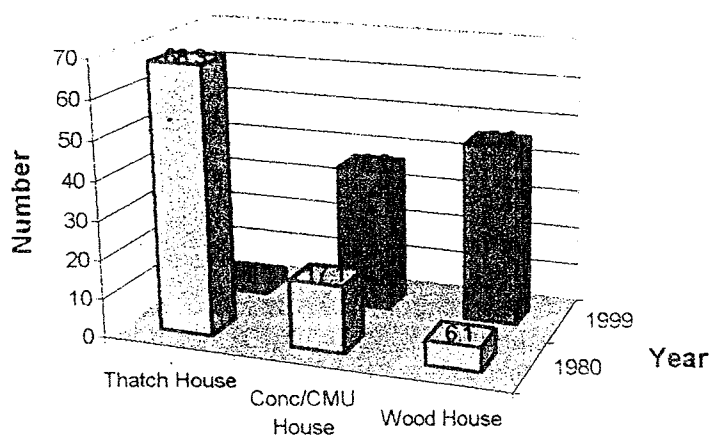
Sources: 1999 Census of Population and Housing Final Report; and Marshall Islands Statistical Abstract 1999, by Courtesy of OPS

**Table No. 2.3 : Quality of Life Indicators
1980 and 1999ⁱ**

Indicator	1980	1999
Total Housing Units	4163	6441
Material used for outside walls (% of houses)		
Concrete/Concrete blocks	17.1	36.9
Thatch	68.3	3.0
Wood	6.1	45.9

“Jepilpilin Ke Ejukaan”

Quality of Life Indicator Chart 2E

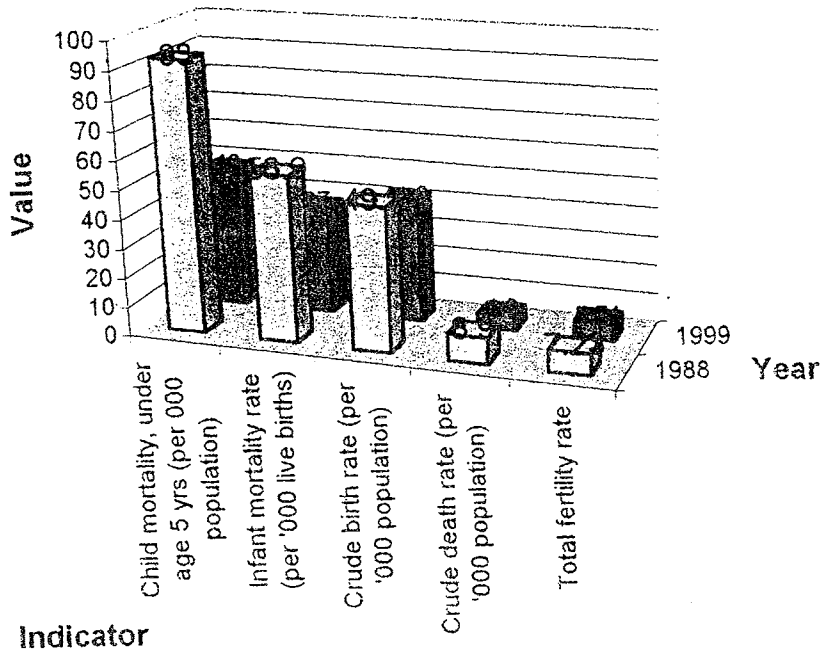


Material Used for Outside Walls

Indicator	1980	1990
Source of Water(% of houses)		
Catchments tanks	50.1	69.3
Public water	34.7	14.28
Individual wells	10.0	3.4
Household Amenities		
% of houses with refrigerators	16.6	54.7
% of houses with Telephones	1.6	38.6
%houses with TV	16.8	56.6
% houses with vehicles	13.0	21.1
% houses with motor boat	13.0	19.4
% of houses with radio/cassette	78.0	86.0
% of houses with electric power	48.0	80.0
%houses with flush toilets	43.6	61.3

Sources: 1999 Census of Population and Housing Final Report; and Marshall Islands Statistical Abstract 1999, by Courtesy of OPS

Health Status Indicators, Chart 2F



Health Status Indicators, Chart 2G

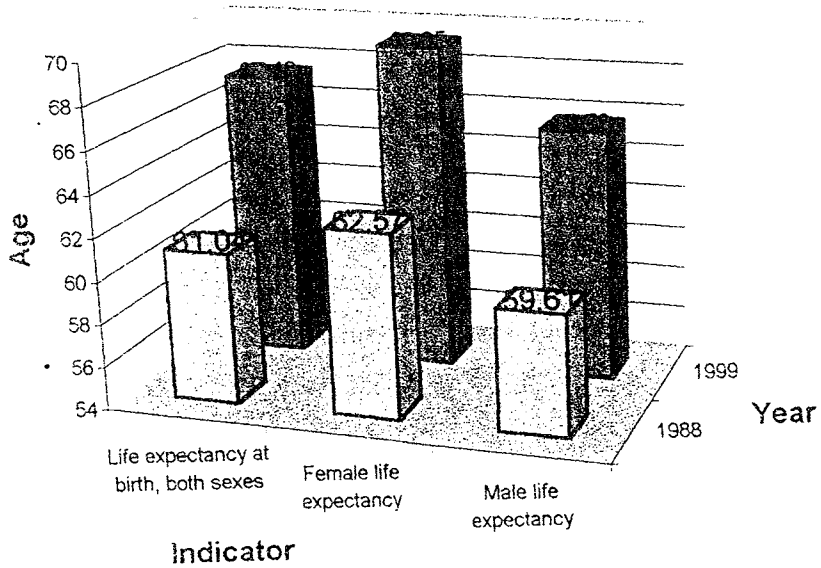


Table No.2.5 : Health Status Indicators 1988-1999		
Indicator	1988	1999
<u>Life Expectancy at Birth:</u>		
Both sexes	61.04	67.49
Females	62.57	69.35
Males	59.61	65.72
Crude Death Rate (per '000)	8.9	4.9
Crude Birth Rate (per '000)	49.2	41.8
Total Fertility Rate	7.23	5.71
Infant Mortality Rate (per '000)	63	37
Mortality under 5 years (per 000)	93	48

Sources: 1999 Census of Population and Housing Final Report; and Marshall Islands Statistical Abstract 1999, by Courtesy of OPS

The progress in regard to the policy of promoting preventive health care declared in 1987 has been disappointingly slow. Today, most of the resources in our health care program are still consumed by curative health care programs necessitated by the predominant influence on our morbidity from life style diseases such as diabetes, hypertension, heart disease and cancer. The inadequacy of our on-Island health care services still makes it necessary to refer our patients to Honolulu and Manila for treatment. The latter used up a substantial proportion of our Government resources causing heavy strain on our annual National Government budget. Off-Island referrals cost \$3.0 million or 34% of the Health Services budget in 1999, which increased to over \$7 million in FY 2001.

Many of our citizens still continue to suffer from radiation-related types of cancers, tumors and thyroid problems traced to the adverse impact of nuclear testing programs in Bikini and Enewetak over fifty years ago. The Nuclear Claims Tribunal established under the first Compact Agreement to determine and award compensation for victims of nuclear testing program had by 1999 made 1656 individual awards. The Tribunal has, however, exhausted the funds allotted for payment of such compensation. We will therefore actively pursue this matter with the U.S. Government in order to re-evaluate the effects of the Nuclear Testing Program and to be able to implement programs that address all possible issues associated with such effects. In so doing we want to ensure

that the interests of both our present and future generations are well protected in regard to the effects of the Nuclear Tests related illnesses as well as for studies that will look into the genetic impact of such tests. We will also ensure that adequate funding is sought and made available to meet the cost of all health programs that address Nuclear related illnesses and also to conduct programs that aim at educating our people in regard to the impact of Nuclear Tests.

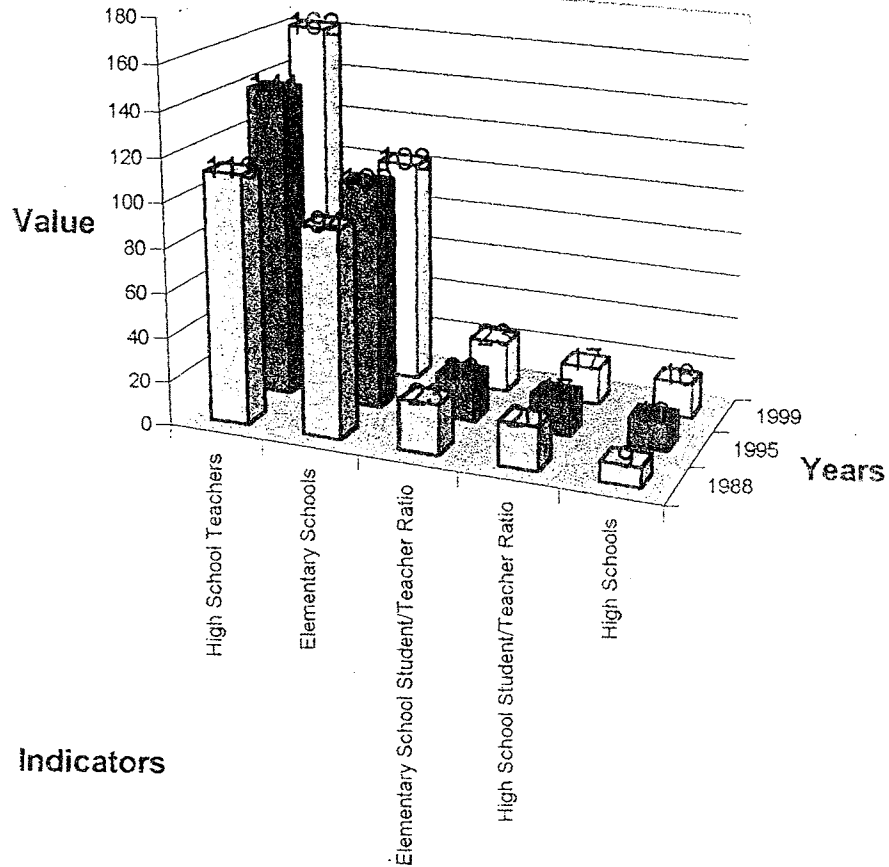
iv. Educational Progress

School enrolment increased both at the elementary level and at the secondary level in the period 1988-1999. As shown in Chart 21, the number of students enrolled at the elementary level increased from 11,581 to 12,421 while at the secondary level, the number increased from 1,910 to 2,667. However, the school enrolment ratio i.e. the number of children enrolled in schools as a percentage of the total number of children eligible to enroll, at the elementary level increased only slightly from 81.9 to 84.1 percent over these years. In the case of the secondary school students, the ratio increased from 46.7 to 69.5 percent in the same period. One of our concerns is the slow increase in the elementary level enrolment ratio. Given the existing law which calls for universal, compulsory elementary education, much progress needs to be made in this area. Another major concern is that the total enrolment at the elementary level

has declined since 1995 (Chart 21). The exact reason for this is not known. However, given a high degree of migration in the latter half of 1990s, it is possible that many families with elementary school age children may have migrated. In the case of high school age children too, the total enrolment has been less than desirable. Three out of every ten children in the high school going age had no access to high school education in 1999. In addition, the high drop out rate between grades has been a problem, especially at the high school level. For example, out of 879 students who were enrolled in Grade 9 in school year 1995/1996, only 498 or 57 percent reached grade 12 in the school year 1998/1999.

A major challenge still facing our education system is the need for quality improvement at all levels, elementary right up to post-secondary. This has been shown by the less than average test scores of our students at standardized tests such as TOEFL, SAT and the Pacific Islands Literacy Levels (PILL) Test. The entrance test results of the College of Marshall Islands (CMI) have also shown this. The deficiencies in the tertiary education have been demonstrated by the inability of our country thus far to produce sufficient numbers of qualified human resources required at various levels including the Government and the Private Sector.

Education Indicators Chart 2H



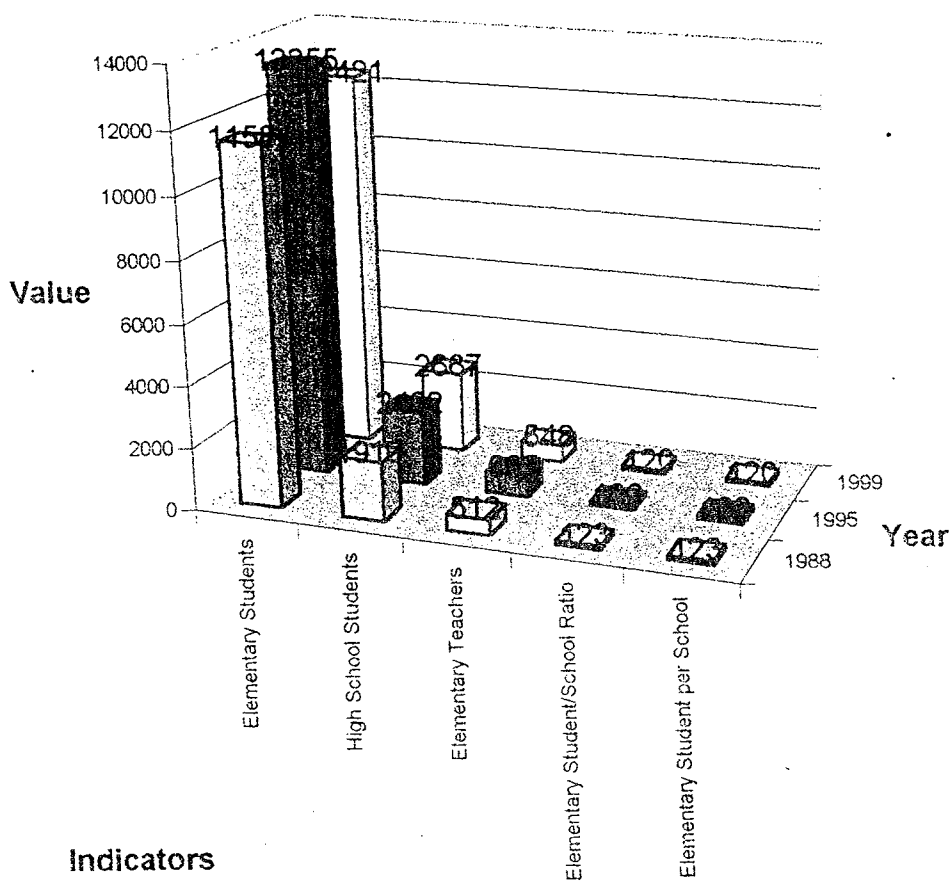
Indicators

	High School Teachers	Elementary Schools	Elementary School Student/Teacher Ratio	High School Student/Teacher Ratio	High Schools
□ 1988	113	94	23	20	9
■ 1995	141	103	20	17	13
□ 1999	162	103	23	17	16

Source: 1999 Census of Population and Housing Final Report; and Marshall Islands Statistical Abstract 1999, by Courtesy of OPS

“Jepilpilin Ke Ejukaan”

Education Indicators Chart 2I



Indicators

	Elementary Students	High School Students	Elementary Teachers	Elementary Student/School Ratio	Elementary Student per School
□ 1988	11581	1910	512	123	123
■ 1995	13355	2402	665	130	130
□ 1999	12421	2667	548	120	120

Source: 1999 Census of Population and Housing Final Report; and Marshall Islands Statistical Abstract 1999, by Courtesy of OPS

d. The Economy

i. Gross Domestic Product

Available official data shows that the total value of production of goods and services in our economy after allowing for price increases (Real GDP) rose from \$60.5 million in 1987 to \$79.4 million in 1995 declining thereafter to \$62.6 million in 1999. In per person terms, the total yearly value of production of goods and services (Real Per Capita GDP) increased from \$1532 in 1987 to \$1656 in 1994 and then declined to \$1231 in 1999. The data on GDP should, however, be cautiously interpreted because before 1990 such estimation was based on the figures on wages, salaries and rents (Factor Incomes Approach) for which data was readily available. However, from 1990 onwards that approach has been replaced by another approach under which the estimation is based on the valuation of the yearly net production in each area of production such as agriculture, trade and construction (Value Added Approach) for which data was not readily available. Given the underdeveloped nature of the data collection system, especially in relation to the Private Sector the latter approach tends to result in a greater degree of underestimation than the former. There is no doubt that the growth rate was severely and adversely affected by the downsizing of the Public Service by 30% in 1995-97 given that the main determinant of the GDP was government wages and salaries and given the adverse weather conditions in 1997 and

1998. Taking all relevant factors into account it is possible to assume that our per capita income had a steady upward trend, which may have raised its level from \$1532 to \$1931 over the period 1988-1999.

ii. Employment and Unemployment

Total employment in the economy increased from 6698 in 1980 to 10056 in 1988 and to 10141 in 1999. Job growth declined over the second half of 1990s mainly due to the reduction in force program of 1995-97 under the Public Sector Reform Program, which had a downward spiraling effect on the level of the Private Sector employment levelⁱⁱ. However, due to the rapid increase of the labor force the economy was unable to provide enough jobs resulting in an increased unemployment rate. Apparently most of the unemployed were those who had high school education.

iii. Prices, Wages and Inflation

The rate of increase of the level of prices per year (Inflation), which was slow in the early years, accelerated towards the end of the 1990s. The Average Majuro Consumer Price Index rose from 111.85 in 1987 to 117.98 in 1990 showing an average annual inflation rate of 1.8%. In the period 1991 – 1999 however, the Average Majuro Consumer Price Index (CPI) rose from 122.65 to 193.99 indicating an average annual inflation rate of 7.2 %. Wages

without taking into account their worth in terms of good and services (Nominal Wage Rates), however lagged behind the inflation rate. The minimum wage rate, for example, which was \$1.50 in 1992 was raised to \$2.00 in 1993 and has remained unchanged since then. The nominal average salary in both the public and Private Sector increased from \$3866 in 1988 to \$4705 in 1999. In real terms, however, the average salary declined by 28 percent to \$2782.

iv. Exports, Imports and Balance of Payments

The Merchandise Account in our Balance of Payments remained increasingly in deficit over the years under consideration, from 1988 to 1999. Consequently, the trade deficit rose from \$29.4 million to \$61.3 million over the same period. The trade deficit was financed mainly from Compact and Federal funding from the United States and to a lesser extent with grants from Japan. In more recent years external funding have become more diversified to a limited extent with loans from ADB and grants from the Republic of China. The Capital Account has been in deficit in recent years due to large debt payments mainly due to Compact related borrowing, borrowing from ADB and short term commercial borrowing as there was little inflow of Foreign Direct Investment (FDI) into the RMI. On average, 65 percent of our imports came from the United States including Guam and a further 15 percent from Japan.

v. Economic Structure and the Role of the Government

Our economic structure has continued to remain dependent on Government expenditure. In 1985; the total Government expenditure as a proportion of GDP was 79.2 percent. In 1999 the proportion was 89.2 percent. The modern Private Sector in the economy is still focused mainly on non-foreign exchange earning services such as wholesale and retail distribution of imported goods, construction, hotels and restaurants, banking and insurance, transport and allied activities. There has been little growth in foreign exchange earning activities. The entire economy is based on the inflow of Compact funds from the United States, aid and to some extent loan funds. Although the structure of the economy has not changed over these years, there has been a significant growth in the existing services as would be clear from the above discussion on the improvement in the general picture of Majuro.

vi. Progress in Regard to the Policy Reform Program (PRP)

Since 1995 our Government has been engaged in a Policy Reform Program (PRP) aimed at achieving both short-term financial stability in the Government and long-term structural changes in the economy. Accordingly, a time bound action plan was launched in 1995 with technical assistance from the Asian Development

“Jepilpilin Ke Ejukaan”

Bank, United States and Japan aimed at ensuring financial stability in the Government both in the short and long run and to restructure the economy through the creation of an enabling environment for the growth of the Private Sector. A goal common to all these objectives was the reduction in the size of the Public Sector in the economy and improving its efficiency and effectiveness.

Through a Reduction in Force (RIF) Program the size of the Public Service (excluding the State Owned Enterprises) was reduced from 2303 in 1995 to 1484 in 1999. The PRP has led to an overall reduction in Government expenditure through a substantial cut in the wage bill and subsidies. In addition the objective of fiscal stability was assisted by several measures aimed at increasing Government revenue such as improving tax collection. Under the PRP a Marshall Islands Intergenerational Trust Fund (MIITF) was established and some accomplishment was made in regard to creating an environment conducive for Private Sector growth. Before the PRP had a chance to be fully implemented, the program suffered a setback due to a

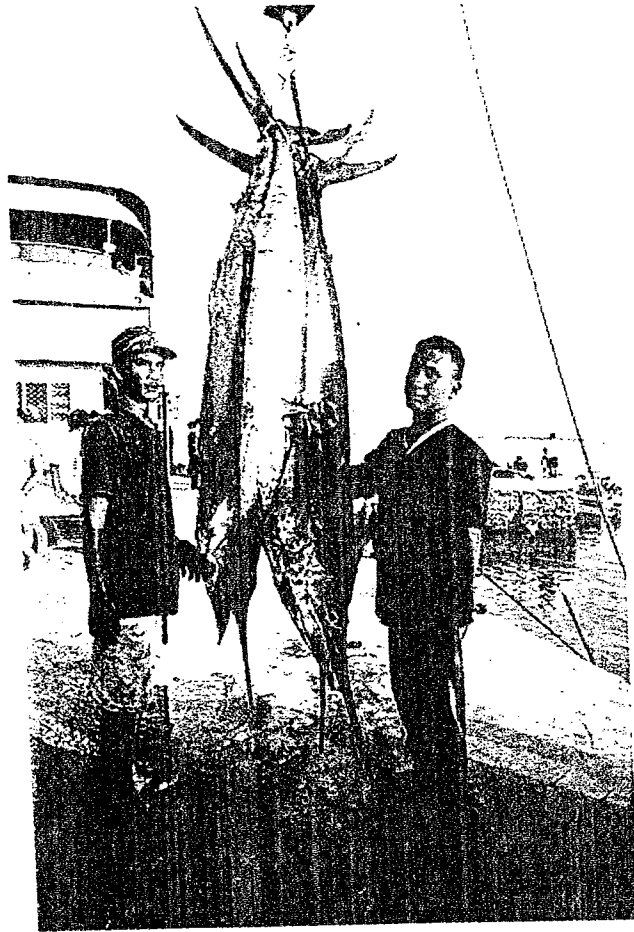
reshuffle in Government and its implementation has only been resumed recently.

The Government has taken several steps to resume the PRP as part of its policy on good governance, transparency and accountability. Firstly, with ADB assistance it has taken all necessary steps to implement a Fiscal Financial Management program in Government with effect from June 2001. The main objectives of this program are:-

- stabilizing the fiscal position of the national Government;
- strengthening Public Sector financial and economic management;
- ensuring sustainable income flow for the future generations;
- improving the effectiveness of the Public Service; and
- enhancing the policy environment for Private Sector development

Secondly after a lengthy fact-finding and a nationwide consultative process, the Government has begun to formulate its Strategic Development Plan Framework for the next 15 years.

“Jepilpilin Ke Ejukaan”



A Big Catch, by Courtesy of MIVA



Sunrise in the Outer Island of Jaluit Atoll, by Courtesy of MIVA

“Jepilpilin Ke Ejukaan”

Table No. 2.6: Macroeconomic Indicators		
Indicator	1987	1999
Total Real GDP (\$'000)	60,453	62,563
Real GDP Per Capita \$	1532	1231
Total Employment (Number)(Census, 1988, 1999)	10,056	10,141
Unemployment (%)	12.5	30.9
Average Annual Inflation (%)	4.2	1.8
Minimum Wage Rate (Nominal) \$		2.00
Minimum Wage Rate (Real) \$		1.15
Average Salary (Nominal) \$	3866	4705
Average Salary (Real) \$	3866	2782
Total Exports (\$'000)	1.91	7.7
Total Imports (\$'000)	33,541	68,935
Trade Deficit (\$'000)	31,623	61,273
Total External Debt (In millions of US\$)		98.5
(In percent of GDP)		(101.2)
Total Current Account Balance (In millions of US\$)		4.9
(In percent of GDP)		(5.1)
Total Capital Account Balance (In millions US\$)		-14.7
Total Government Expenditure and net lending excluding debt repayment (In millions of US\$)		56.8
Total Government Revenue and grants (In millions of US\$)		67.3
Total Government Domestic Revenue (In millions of US\$)		26.7
Size of the Public Sector (Number of Employees)(Census 1988,1999)	3392	3106
Total Commercial Bank Deposits (\$'000)(Earliest available Figure is for 1994)	48,057	60,086

Sources: 1999 Census of Population and Housing Final Report; and Marshall Islands Statistical Abstract 1999, by Courtesy of OPS and IMF Article IV Mission Report 2000, by Courtesy of MOF

II. The International Context

While having established a framework of our development goals and strategies, it is equally important that we strive to understand to the best we could, the forces that have and still are transforming the world on the cusp of this new millennium. “The world is becoming a global village” that carries changes, for better or worse, and cuts and transcends all societies on this earth. The challenge is for us to understand these global changes, and even be able to predict them, especially those that fall on us not because of our own doings, but resulting from the *globalization* process, and to be able to manage these changes within our capacity and capability as a People, and as a Nation. This is especially important since we shall continue our association with the People and Government of the United States through our Second Compact, as well as with our other multilateral and bilateral donor partners. The responsibility is therefore on us to be able to predict what is coming around and perform at the same time.

The manifestation of our development aspirations in our Matrix of Goals, Objectives and Strategies that we developed from an extensive consultative process within our society, without our knowing, had reflected and accounted for all global trends that have been documented widely. We see the global trends in six main categories:-

- **The Foundations** for social and economic development;
- **Science and Technology** as the main historical engines of development;
- **A Human Resources Economy;**
- **Globalization;**
- **A Transformation of Authority;** and
- **A Test of Human Psychology.**

The Foundations of economic wealth had revolved around population, natural resources and the environment, and culture. An aging world population of over 60 years is increasing considerably, especially in the industrialized nations. At the same time we find the growth of a youthful population in the developing nations just as in our own country. This trend in population growth leads to more inequities and intense new pressures such as in rapid urbanization and the resulting problems of water supply shortages, waste and air pollution, and high rate of crimes and overloaded schools. In terms of environment and natural resources, the global trend is that the world is becoming more environmentally conscious, leading to

“Jepilpilin Ke Ejukaan”

the increase in the demand for means of sustainability such as conservation, efficient production and use of renewable energy. And while most of us may have not realized it, culture has always been a major contributor to economic growth and has exercised important influence in world politics such that it will continue to have profound effects on our relations with other nations and international organizations.

Over the years we have seen the advance of *Science and Technology*. Medical technology will eventually uncover the means of curing all kinds of illnesses. We see increased manipulation of genetic make up leading to miniaturizationⁱⁱⁱ. The most profound change has been in the revolution of information technology, a product of which is the Internet that washes away national and industrial boundaries, autocratic organizations or governments. Unfortunately, these trends may result in a widening of the gap between the rich and poor. Consequently, a trend entrenched in social modernization is calling for more reform, equality, human freedom, and greater democracy as has been in the collapse of communism and the breaking down of autocratic regimes.

The *Human Resources Economy* trend has changed the character of our conventional understanding of “economy”. The basic trend is towards the increasing rate of knowledge as opposed to the traditional sectors of agriculture and fisheries. We are now living in the **knowledge-era** global economy. This new

economy is based on the production, manipulation, use and dissemination of knowledge and a qualitative, creative, innovative and cooperative *human resources* is the coin of the realm. Basic organizational structures are changing and success is achieved through greater coordination and partnership among organizations within and beyond national boundaries. Trade in the future lies in the focus on trade in knowledge and information rather than in goods and services such that the global trend will see an emphasis on foreign direct investment.

We are aware of the process of *globalization* that is making the world become more integrated while at the same time leading to individual nations look more inwards on how they could benefit from the resulting impacts. Our concern is to better understand the real dimensions and characteristics of *globalization*. Trade in merchandise and services, is growing faster than world wide economic growth. The main forms of *globalization* can be seen in *Global Awareness*, advances in *Communications* and global production manifested in the increase in the role of *Multinational Corporations* all over the world. In realization of the impact of the globalization process, we have agreed to become a party to the Pacific Free Trade Area, an initiative guided by the Pacific Forum under the framework of WTO. We will soon become member of a Regional Free Trade Area, opening borders throughout the region to commerce and industries. Numerous business operations

“Jepilpilin Ke Ejukaan”

are spread over the world, networking with each other and using advanced communications technologies. This global trend brings great forces of integration creating an increasing interdependence among nations.

The knowledge era, as a result of the Information Revolution we are now experiencing, is "threatening the existing power structures of the world" and resulting in a *Transformation of Authority*. Individuals are demanding more of a say in their lives from those in charge – parents, their bosses, and political leaders. We saw in the collapse of communism the decline of all forms of economically and politically closed societies. In the world over, more so in Asia, undemocratic governments confront a growing sense of popular empowerment and demands for more participation of the people in decision-making. Governance is the central issue. Transparency and accountability are now the international norms for expending of public funds and in the making of policy decisions. A spin-off of this transformation is the increasing role of non-governmental organizations and civil society which now effectively performing tasks that were previously functions of governments.

In the center of all these global transformations that are transcending national dimensions all over the world, is the *Human Being – You and Me, the People of the Marshall Islands*. Coping with changes is never easy and already we are undergoing immense strains under the knowledge era with its associated social and economic transformations. The *Global Media* has instilled among many people over the world the "*Pessimism Syndrome*" making them think or perceive that things are getting worse when in fact they are not. The erosion of fundamental basic values and "spirituality" brought about by the inability of the human being to cope with a knowledge-rich age is causing people to lose their "*Sense of Belonging*," making "them" aliens in their own land. The challenge for us, the People and Government of the Marshall Islands is to reinvigorate our traditional values and customs, and renew our trust in leading spiritual lives to continue giving us the sense of identity, a perspective of where we belong, to uphold our ethics, and understanding of love.

III. Implications for Policy

As much as possible our national policies must address the emerging trends described in Section II above on the ‘The International Context’. Whether we like it or not, the fact is we are now living in an interdependent “global village”. What is important is that we make ourselves to understand the changes brought about by the global trends and respond to these changes in our way. The bottom line is that we want to benefit from the changes emerging from global trends. Already we have adopted reform programs such as our own **Vision 2018** to lay the foundation to enable us to respond to these global trends. Through our reformed planning approach in the formulation of our **Vision 2018** we are constructing a “National Development Strategy” framework that would enable us to minimize the risks emanating from the global trends described above. An additional positive important development is the fact that we are stating clearly in our **Vision 2018** the Education Sector as “*Our Number One Priority*”. At the same time, our policies must be based on a detailed grassroots analysis of our society.

We are living in the knowledge era, which reinforces the decisive role of education as the prime activity to equip “us”, the People and Government of the Marshall Islands, to become successful in this knowledge-rich era. Our priority is to develop the quality of our human resources. We must be fully versed with the advances

of Science and Technology and particularly with the Internet. We need to revamp our education system to generate a reformed mind set for our people, more so the future leaders of our nation, our children and grandchildren. When we get quality people, the next important step is their empowerment by giving them the trust and responsibility to make them creative and innovative. We would need to create partnership at all levels of our society. When we consider our Government and its Statutory Agencies, they are not independent agencies competing with one another but instead, are all actors of one People, and one Government, all having one purpose and serving one people.

The second imperative condition to enable us to benefit from the global trends is to entrench in our systems the primacy of moral values and social responsibility. Our Government must set the example in all areas of good governance. We have to follow the norms of transparency and accountability not only in the expending of our public finances, but more so in the decisions we make based on the expressed priorities of our nation and not on individual or groups’ political agendas. We need to devolve relevant powers and functions away from the center to our Local Governments and Traditional Leaders to enhance their sense of trust and responsibility. Throughout the world, cultural dimensions are adapting to cope with far-reaching

“Jepilpilin Ke Ejukaan”

changes resulting from these global trends and thus it is important that we re-examine our traditional setup and build on the positive elements that bring about greater productivity, peace and harmony in our nation.

Then there is the struggle of the developing world including “us” to better understand and apply the principles of capitalism. Basically we have been following a mirror image of the “Western Capitalism” model and its associated systems. Obviously something is not correct in our effort to follow the capitalistic world since we are still striving to pass the borders of a developing world irrespective of the many years of our free market development. In the past we have looked at our resource endowments of land, lagoons and vast ocean as “dead capital” and as such we had always looked beyond the horizon for solutions to our development problems. But in this knowledge-rich era, we should now look inwards into our own surroundings and find the solutions. Indeed we have abundant resources – huge crystal water

lagoons and thousands of square miles of ocean, sunlight, wind, thousands of white beaches, hundreds of beautiful atolls that are uninhabited, blue sky and large airspace. These are just the resources millions of people in the west are looking for. We could generate wealth from these natural endowments. With a new approach to capitalism, and having the quality people, we will be on our way to enjoy maximum benefits from the advances of Science and Technology.

We can certainly look for better things to come in the future. For, the dominant threads of the knowledge era are hopeful – empowering, democratizing, egalitarian and environmentally friendly. But because of the immense by-products of these global trends manifested in a series of changes, coupled with our reactions to change, we should be cautious in our approach to development. The key is choice: the choices we make over the next 15 years to shape our future. It is WE, the People of the Marshall Islands upon whom the success of our endeavors will depend.

“We have reached a moment in history,” argues self-esteem guru Nathaniel Branden, “when self-esteem, which has always been a supremely important psychological need, has become an urgent economic need.” The new global economy is “characterized by rapid change, accelerating scientific and technological breakthroughs, and an unprecedented level of competitiveness,” trends that make “new demands on our psychological resources,” asking for “greater capacity for innovation, self-management, personal responsibility, and self-direction.”^{iv}”

Chapter 3 National Goals & Objectives

I. The Ten Challenges

From the experience of other Pacific Island countries and East Asian countries, and after taking careful review of our own experience in the Marshall Islands, we are reminded that ten key enabling conditions are necessary to achieve Vision 2018:

1. Sound system of governance with political stability and commitment to our Vision 2018, and a competent and honest public service;
2. High investment in education and research;
3. Foster a culture of high savings, investment and productivity;
4. Our ability to take advantage of emerging global trends;
5. Effective and responsible economic and financial institutions;
6. Facilitating equitable development of our Outer Islands;
7. Strengthening the spirituality of our Marshallese people;
8. More harmonized development in the context of healthy lifestyles, and our prevailing culture and sustainable environment;
9. Fostering fundamental change in the attitudes and behavior of all citizens, government, local governments; businesses, public corporations, and NGOs; and
10. Effective “Partnership and Coordination” among National Government, Atoll Local Governments, NGOs, the Private Sector, Civil Society, and the Citizens.

II. Goals and Objectives

Goal 1- Operating in an interdependent world:

- (i) **Foreign Policy:** Having the ability to design and implement our national sustainable development policies and programs in order to maximize national benefits and to foster our international relations, recognizing explicitly the current and future limits imposed and opportunities provided by our political and economic ties with the rest of the world, globalization, and technological advances; and
- (ii) **Climate Change:** Having adequately strengthened the institutional and procedural mechanism aimed at securing the maximum possible advantage of international and regional co-operation to minimize the adverse impact of Global Warming and Climate

Objective 1- Strengthening the capacity and ability to successfully manage our external economic and political relations and face the challenges arising from global integration, *climate change* and to benefit from technological advances.

Objective 2- Strengthening and improving the relationship between governance; human development and economic development.

Goal 2 - Enhanced socio-economic self-reliance

- (i) **Macroeconomic Framework:** Having achieved a level of quality development in our economy and society, such that our dependence on foreign financial and technical assistance and skills, as well as dependence of our Private Sector and households on government expenditures are reduced, by helping ourselves first before we seek others' help;
- (ii) **Partnership and Coordination:** Achieving a state of productive and effective partnership among all important decision makers at all levels of the Marshall Islands society;
- (iii) **Food Security:** To attain food security for all people at all times and to substitute imports to the best extent possible and develop exports;
- (iv) **Infrastructure:** Having developed a level of infrastructure services that is operated smoothly, and maintained regularly, that adequately services the needs of sustainable development and enhancement of self-reliance with minimum adverse impact on the environment

“Jepilpilin Ke Ejukaan”

Macroeconomic Framework	The Productive Sectors	Infrastructure
<p><i>Objective 1-</i> Developing, diversifying and strengthening our economic base so as to generate maximum feasible self-sustaining level of national income and domestically generated Government revenues</p> <p><i>Objective 2-</i> Achieving fiscal stability in Government.</p> <p><i>Objective 3-</i> Achieving a more balanced structure in the economy with a greater reliance on foreign exchange earning/import substitution sector</p> <p><i>Objective 4-</i> Ensuring optimal accessibility to opportunities to ensure fuller participation of women in the self-reliant and sustainable development process in the country</p> <p><i>Objective 5-</i> Ensuring an acceptable level of equity in the distribution of national income among different income groups and within families and among family members</p> <p><i>Objective 6-</i> Enhancing the total level of saving in the economy</p> <p><i>Objective 7-</i> Achieving a higher degree of participation at all levels in the society with regard to individual responsibilities, duties and needs</p> <p><i>Objective 8-</i> Ensuring the existence of a comprehensive legal framework that fosters and facilitates but not inhibit activities at all levels that promote the achievement of the National Vision and enhances the welfare of every individual in the country</p> <p><i>Objective 9-</i> Ensuring the efficient, speedy and impartial enforcement of all laws in order to protect person and property of every individual and institution in the country in a manner that justice is dispensed in a non-discriminatory, transparent and efficient manner</p> <p><i>Objective 10-</i> Ensuring the prevalence of an orderly and a peaceful environment, which would enable all individuals and institutions to make their contribution towards the achievement of the National Vision in an optimal manner</p> <p><i>Objective 11-</i> Ensuring accountability, transparency, and predictability in regard to decision making and implementation of policies and programs involving the expenditure of public funds and collection of public revenues at all levels in the country</p> <p><i>Objective 12-</i> Ensuring the existence of a statistical database adequate for planning, implementation and monitoring of sustainable and self-reliant development policies and programs</p>	<p>Agriculture</p> <p><i>Objective 1-</i> Increase output of local foods and agricultural exports</p> <p><i>Objective 2-</i> Achieve healthy and balanced diet to minimize both malnutrition and obesity</p> <p><i>Objective 3-</i> Increase output of locally processed foods and supplements;</p> <p><i>Objective 4-</i> Minimize the percentage of under utilized land for agricultural purposes</p> <p>Fisheries</p> <p><i>Objective 1-</i> To maximize rents from fisheries resources within sustainable limits</p> <p><i>Objective 2-</i> Development of income opportunities in sustainable coastal fishing activities for fisher</p> <p><i>Objective 3-</i> To develop sustainable management plans based on stock assessment of fisheries resources prior to any development activities</p> <p><i>Objective 4-</i> To strengthen the Fisheries Nautical and Training Center (FNTC) and diversify the employment opportunities for graduates</p> <p><i>Objective 5-</i> Enhance the capacity of the sector to increase production, processing, trade, and exports in a sustainable manner</p> <p>Tourism</p> <p><i>Objective 1-</i> Increase number of tourists by at least 15,000 by the year 2018</p> <p><i>Objective 2-</i> Diversify cultural activities and tourism activities within the Marshall Islands</p> <p><i>Objective 3-</i> Promote a clean environment</p> <p><i>Objective 4-</i> Enhance the industry's capacity to provide quality services for a higher and growing number of tourists</p> <p>Manufacturing</p> <p><i>Objective 1-</i> Enhancing the production processing of local goods for domestic consumption and export</p> <p><i>Objective 2-</i> Creating an enabling environment for manufacturing activities</p> <p><i>Objective 3-</i> To identify and promote new products</p>	<p><i>Objective 1-</i> To provide reliable and affordable infrastructure in the areas of communication, transportation, water & sewage, and energy</p> <p><i>Objective 2-</i> Establish a sustainable and continuous maintenance program for all infrastructure</p> <p><i>Objective 3-</i> Establish and foster a complementary, efficient and secure land tenure framework for the smooth development of infrastructure which also takes into account for any foreign investment</p> <p><i>Objective 4-</i> Enabling all citizens to access clean and adequate water supplies as well as sustainable, affordable and reliable power supply</p>

“Jepilpilin Ke Ejukaan”

Goal 3- An Educated People:

Establishing a knowledge-based economy by equipping Marshallese citizens with internationally competitive skills, qualities and positive attitudes to work and society.

Objective 1- Aggressively strengthen and enhance the quality of education at all levels of schools starting from kindergarten to college throughout the nation

Objective 2- Instigate awareness among all strata of the Marshallese society to make each and every citizen of the Marshall Islands appreciate “education” as the top priority in achieving our **Vision 2018**

Objective 3- To cultivate a reformed “mind set” among all Marshallese to introduce fundamental human values such as honesty, trust and integrity, and for us to take pride and dignity by fostering a change of attitude to life where one has to have a sense of purpose and lead a productive and self-reliant life

Objective 4- Providing further education through formal and non-formal training opportunities for high school graduates, civil servants, and any other Marshallese qualified citizen

Objective 5- To making the teaching profession a dignified, respected and attractive occupation in order to maintain high quality and dedicated teaching staff

Goal 4- A Healthy People:

Build capacity of each community, family, and individual to care for their own health through quality primary health care program and to provide high quality, effective, affordable and efficient health services to Marshallese.

Objective 1- Achieving an enhanced dynamic primary health care program to create greater awareness by empowering our people in order to motivate them to take initiatives in partnership to promote preventive healthy lifestyles

Objective 2- To achieve high level of locally qualified and skilled health personnel to provide effective and sustainable health services upon which the people of the Marshall Islands would become confident and live healthy lifestyles

Objective 3- Establishing the required basic levels of quality health services and facilities in our country in order to reduce the incidence of medical referrals overseas and at the same time increase the confidence of our people in our own health service

Objective 4- To enable the families of the Marshall Islands acquire the basic needs and structure for an average, and comfortable family home where the level of hygiene and sanitation are comparable to world standards and at the same time promote effective nationwide home improvements program

Objective 5- Enhancing an acceptable reproductive health program to assist the people to be able to provide adequate resources to ensure sustainable livelihoods for every citizens of the Marshall Islands

Objective 6- In terms of population, to be able to maintain the growth of our population at manageable level consistent with our development aspirations stipulated in this **Vision 2018**

Goal 5- A Productive People:

Enabling Marshallese within their capacity and capability to develop a sense of purpose, take initiative, participate and contribute in the sustainable development of our nation.

Objective 1- Ensuring a higher level of efficiency and productivity among the workforce in the economy including the Public Sector, Private Sector and the self-employed.

Objective 2- Ensuring a higher level of motivation and awareness of duties and responsibilities among all individuals in the society.

Objective 3- Ensuring productivity of all individuals in the society is developed to and sustained at its full potential.

“Jepilpilin Ke Ejukaan”

Goal 6- Law-abiding People:

Establishing a just society in which the people are knowledgeable of traditional, national, international laws, and uphold and respect the principles of good governance.

Goal 7- God-loving People:

Acknowledge spirituality of its people and nurtures moral and ethical growth at all levels of the society and at the same time respects the diversity in the religious beliefs of every single citizens of the Marshall Islands.

Objective 1- Ensuring the existence of a comprehensive legal framework, which adequately meets the needs of, and positively contributes towards the welfare of every individual and institution in the country in their participation in self-reliance and sustainable development

Objective 2- Ensuring efficient, speedy and impartial enforcement of the legislation in order to protect person and property of every individual and institutions in the country in a manner that justice is dispensed in a non-discriminatory manner

Objective 3- Ensuring accountability, transparency, and predictability in regard to decision making and implementation of budgetary decisions with respect to the allocation of expenditure and revenue collection of public funds and resources at all levels in the country

Objective 1- Beginning at the family level, teach values and practices important to the spiritual development required of a “total human-being”

Objective 2- Build on the spirit of patriotism by instilling among the population pride in our national identity as God given gifts

Objective 3- Respecting others religion in order to create unity, peace and harmony, ensuring at the same time that religion does not bring about conflicts

Goal 8 – Respecting Individual freedom and fundamental human rights:

While safeguarding the rights and freedom guaranteed under the Constitution, the Marshall Islands wishes to strike a “balance” by integrating these freedoms with those provided under the traditions of culture.

Objective 1- Enabling citizens to exercise their freedoms granted under the Constitution in harmony with the prevailing culture and traditions of the Marshall Islands

Objective 2- Enabling the people of the Marshall Islands clearly understand their freedom and rights under the Constitution and to respect others freedoms and rights when exercising these freedom

“Jepilpilin Ke Ejukaan”

Goal 9 – Respecting culture and traditions:

Preserve, strengthen, and promote our language, traditional skills, knowledge, values and customs to maintain the cultural identity of all Marshallese people.

Objective 1- Establishing a framework that strengthens and keep the culture of the Marshall Islands alive amidst all the forces of change arising as a result of our national development including globalization;

Objective 2- To revive our culture and traditions, especially the inherent elements of our culture that fosters a sense of responsibility in providing the daily sustenance for our families to help us becoming more self-reliant.

Goal 10- Environmental Sustainability:

(i) Developing a regulatory system that can be enforced with a high degree of compliance at all levels, in order to achieve the sustainable development of our natural resources, while protecting our environment from any adverse impacts; and

(ii) Strengthening the relevant institutions and improve procedural mechanisms, so as to be able to secure the optimum support from both international and regional efforts, in minimizing the adverse impact of Climate Change

Objective 1- To achieve maximum benefit from all Environmental global Conventions through our active commitment and participation

Objective 2- To develop and have in place a contingency/adaptation plan to counter the emerging threats resulting from the adverse effects of climate change including a National Disaster Plan

Objective 3- Enhance the level of awareness and commitment among all people in the community to contribute towards the minimization of environmental degradation

Objective 4- To achieve the highest degree of compliance with environmental laws and regulations

Objective 5- Reinvigorating our cultural and traditional environmental conservation practices to harmonize development with environmental sustainability

Chapter 4

The Broad Strategies

I. Macroeconomic Framework

a. Policy Coordination

In order to harness the collective effort of all stakeholders for the achievement of our National Vision, the sustainable development policies and programs identified in our Plan will be carried out through a consciously planned process of participation. Such participation will be sought at several levels:

- broad national level,
- in the National Government;
- between National Government on the one hand and the Private Sector, NGOs and the Civil Society on the other;
- between the National Government and the Local Governments;
- among the National Government, Local Governments, Traditional Leadership and the Civil Society; and,
- at the Family Level.

Effective participation at the national level will be ensured through our legal framework,

which provides the “rules of the game” for everyone in our society. At present our Constitution and our existing laws provide this. Our Constitution as well as our laws will be reviewed and revised and further developed as necessary. Care would be taken to see that the system contributes positively towards enhancing the welfare of all citizens by ensuring speedy, efficient and transparent enforcement of national, local and traditional laws. For this purpose, the independence of the Judiciary will be protected. In order that all citizens are aware of our laws, a public education program will be carried out and our laws will be translated into Marshallese language including those laws that follow from the various international conventions.

We recognize that our system of Justice plays a very crucial role in ensuring the maximum possible and most productive participation of our entire nation in achieving our National Vision. Such a system includes our Constitution, our legal framework as well as the institutional structure for the enforcement of our laws. At the National

“Jepilpilin Ke Ejukaan”

Government level an effort will be made to ensure a process of continuing and effective dialogue, consultation and respect among individuals, Ministries and between the managers and political leaders. In this manner, all policy decisions in the national Government will be implemented after proper, adequate and prior consultation with all concerned entities. As a major strategy to ensure effective coordination and partnership at the National Government level, a National Policy Coordination Committee (NPCC) will be established. The role of NPCC will be purely advisory, to assist the Cabinet to make informed decisions. Another office with adequate qualified professionals will be established to serve as the Secretariat for this Committee.

In order to ensure that an adequate information and database is established for co-coordinated and informed decision-making in the National Government, the national statistical database will be strengthened. Furthermore, a Clearing House for deposit of all documents relevant to our sustainable development programs will be established. The procedures laid down in the Administrative Procedures Act will be followed before policies are implemented. In addition, measures will be implemented in order to ensure that all Government entities publish Annual Reports on their respective activities. In order to ensure partnership among the Public Sector, the Private Sector, the NGOs and the Civil Society, strategies will be adopted to ensure that the role of the Public Sector is limited to

activities essential for sustainable development, which will not be carried out by the Private Sector. Growth of the Private Sector will be encouraged through measures discussed below under the section on “creating an enabling environment.”

Similarly, the policies and programs will be pursued in order to improve and continue the dialogue and partnership between the Government and the rest of the civil society which includes traditional leadership, households and individuals so that the latter's optimal contribution towards the achievement of our National Vision can be ensured. Some of the identified strategies in this regard are discussed below under “Improving Resource Allocation”. In order for the civil society to be involved more closely with our sustainable development process, measures will be adopted to engage the society in a continuing consultative process such as periodic National Economic and Social Summit. Grassroots level participation will be ensured by providing opportunities for the civil society to participate in planning development projects and to review proposed laws in the Nitijela.

In addition to the above, measures will be implemented to enhance the respect for, and to uphold, when and as necessary, the cultural and traditional system, as a driving force in the fostering of effective and productive partnership among all strata of the society in the achievement of the National Vision. Such measures include

“Jepilpilin Ke Ejukaan”

annual consultations between traditional leaders and other stakeholders, so as to secure support of the former for development programs, annual cultural events, revival and adaptation of traditional food production and preservation techniques, as well as resource conservation methods and safety nets for the disadvantaged. In order to empower Local Government Councils to take charge of more responsibilities in the development of their respective atolls, steps will be taken to devolve greater powers to such entities and to enhance their administrative and financial capacity to carry out those additional responsibilities. Local Governments will be encouraged to formulate their own Development Plans based on the National Vision.

In acknowledging the “family” as the prime building block in building a nation, we will implement policies and programs to enhance a consultative process at the family level in relation to matters concerning family welfare. These will be targeted at the following type of activities:

- encourage family members to share household chores,
- ensuring more democratic decision in relation to the allocation and enhancement of family resources.
- participation of families acting in partnership with their churches in nation building activities such as education and health as well as village economic and social development projects.
- The participation of parents more actively in assisting their children with schoolwork.

Further strategies pertaining to individual and family behavior are discussed below under ‘Improving Resource Allocation’.

b. Governance

One of the most fundamental requirements of good governance is the existence of political commitment to the implementation of strategies identified for achieving our National Vision. Such commitment is reflected in three broad strategies that we plan to implement. Firstly, sound political and administrative mechanisms will be established to enable informed and participatory decision-making. These have been discussed in the first section of this Chapter under Policy Coordination. Secondly, strategies will be implemented for achieving sound financial and economic management. These are discussed Section C on Strengthening the Financial and Fiscal System. Finally, as discussed in the first section of this Chapter, strategies will be implemented to ensure the participation of the Civil Society in sustainable development programs.

Within the above broad framework, good governance requires making sure all decision-making and policy implementation is done in a transparent, accountable and a predictable manner. It also requires adherence to acceptable standards of conduct by all leaders and public officials. We are committed therefore to revisit our existing Code of Ethics to ensure accountability and transparency is enforced

“Jepilpilin Ke Ejukaan”

at all levels of our society. We will also implement strategies to ensure that these requirements are fulfilled both at the National and the Local Government level. These strategies are explained in full under “Strengthening the Financial and Fiscal System”. Similarly, our laws and conventions as well as local government ordinances will be reviewed in order to ensure compatibility with our existing Code of Ethics. Technical support for the Cabinet will be strengthened in order to enable it to effectively dispense its coordination and monitoring roles. The annual State of the Nation address by the President will include Government priorities for the year.

c. Strengthening the Financial and Fiscal System

Programs and policies will be implemented to achieve both short term and long-term financial stability in Government. After some success in reducing Government expenditure due to the Policy Reform Program in the years 1996-97, we are facing short-term financial instability. This has been due both to a decline in Government revenue and a rise in expenditure. The implementation of a fiscal and financial management program with assistance from the Asian Development Bank to restore fiscal stability in Government will begin shortly. A key strategy under this program as well as under the Strategic Development Plan Framework is the Marshall Islands Intergenerational Trust Fund (MIITF). This Fund, which was established in 1999, will be

continued and a substantial part of funds received under the Compact will be invested in it. This will help, among other things, ensure our long-term financial stability.

In addition, we will increase Government revenue through several measures that include the following:

- simplifying the tax system and adopting taxes with greater revenue potential;
- elimination of import duty exemptions to Government projects;
- improving tax collection through the institutional strengthening of the Taxation and Revenue division of the Ministry of Finance and contracting out tax collection;
- establishment of a Customs Bond House in Majuro;
- making the Blue Book^v available to all concerned in order to prevent falsifying import documents;
- ensuring **ALL** Government revenues accrue to the National Budget first before they are appropriated to various Ministries and Agencies according to a well-formulated budget.
- diversification of the sources of our foreign economic assistance

As a further means of strengthening our financial and fiscal system we will also adopt to restrain Government expenditures. These measures will include the following:

- imposing a ceiling on the annual growth of expenditures;
- adopting a freeze on all wages and salaries for a prescribed period of time;

“Jepililin Ke Ejukaan”

- continuing to reduce, and eliminate where possible, subsidies to State Owned Enterprises and to our individual citizens;
- closely monitor reprogramming of funds, within and between Ministries;
- where possible, Privatization of State Owned Enterprises;
- strengthening and full compliance with our law in terms of budgetary controls, financial controls, proper accounting procedures, auditing and reporting systems;
- full compliance with competitive bidding procedures in the procurement and award of contracts;
- institutional strengthening of the Ministry of Finance to effectively enforce expenditure controls;
- avoid unplanned and wasteful expenditures by adopting the Annual National Budget as the principal tool for the implementation of the Strategic Development Plan; and
- reducing overseas medical referral cost.

The manner in which the annual Budget will be used as a tool for the implementation of the Development Plan is further explained below, under the section on “Improving Resource Allocation”.

d. Creating Favorable Investment Climate

We recognize that the Private Sector must be the driving force in our economic development. In this respect, we will implement policies and programs to create an enabling environment for the growth of our Private Sector, as the achievement of our National Vision requires significant Private Sector contributions. Of equal importance is the need to assist our

Private Sector in becoming more independent of the National Government's resources, through appropriate business regulation and legislation as well as business advisory services. We will continue to work closely with members of the Private Sector to foster a cooperative partnership where both sides work together toward achieving our National Vision. While some positive steps have been taken, such as streamlining business registration and foreign investment approvals, as well as enacting important legislation that allows investors access to land, we recognize that more work needs to be done. **Vision 2018** will provide development goals and objectives in which the government can promote business activities and direct its resources accordingly. At the same time, the Private Sector can be guided better and assisted in the direction of activities that will promote both economic growth and development.

We will continue to provide support to the Trade and Investment Division to carry out its mandate in promoting Private Sector growth. Together with the Private Sector, NGO's and aid donors, the Government will aim to respond to the needs expressed by the business community, including human resource development, marketing assistance, product development and establishing joint venture partnerships.

We recognize that in order to attract viable, meaningful investment in our country, we must first provide an environment

“Jepilpilin Ke Ejukaan”

conducive to business growth and success. To this end, we will build on our strengths in the marine, tourism and manufacturing sectors and direct our efforts on activities with the greatest potential of providing long-term benefit to the Marshall Islands.

Some measures have already been taken in regard to the accelerating the process of approval of ordinary business corporations and foreign investment business licenses. The Development Land Registration Act provides for the registration of land titles, which together with the Mortgage Act would make it easier for land to be offered as security for bank loans. An intensive effort will be made through a consultative process with the landowners to arrive at a system under which the land rights of the indigenous landowners will be protected and yet land will become easily available for investors. Further action aimed at the creation of an enabling environment includes steps to liberalize the economy. Other strategies such as improving the role of the Constitution, the legal framework, law enforcement, transparency and accountability were discussed above under Policy Coordination and Good Governance. Providing adequate infrastructure needs both in the urban centers as well as in the Outer Islands will further assist the growth of the Private Sector. These strategies are discussed below under “infrastructure”.

Policies will be adopted to encourage the achievement of higher and sustained growth in the level of our Gross National Income. Towards this end, efforts

will be made to maximize income-earning opportunities at USAKA both for our workforce as well as for our business enterprises. We will also pursue negotiations with the United States to agree on a Tax Platform Agreement where US Contractors on USAKA are appropriately taxed. Greater opportunities will be sought and utilized for earning income from land rent and rent from arrangements similar to those in USAKA and Aur Atoll. Policies and programs aimed at increasing productivity and efficiency at all levels will be implemented. Policies will be adopted to enable Commercial Banks to increase lending by using their excess liquidity and by adopting measure to discourage practices that decrease the Money Supply such as hoarding. Particularly urgent is the need to look into the lending portfolio of the Banks. Right now the greatest obstacle relates to the very high interest rates they charge to local customers, which runs up to 20 percent. During the Plan period, measures aimed at improving credit accessibility to the medium and small businesses, especially in the Outer Islands and for export promotion and import substitution activities will be implemented. In this regard, measures aimed at the institutional strengthening of the Marshall Islands Development Bank (MIDB) will be adopted. These measures will especially focus on enhancing the Bank's ability to provide business advisory services, reducing its loan delinquency ratio and improving its capacity to undertake more

lending activities aimed at the promotion of Outer Island Development.

The Plan incorporates strategies aimed at encouraging the development of activities in production for export and import substitution. These will be mainly in our productive sectors such as Agriculture, Fisheries, Tourism and Manufacturing especially through Outer Island Development. Specific strategies in these areas are discussed below under the Productive Sectors, Outer Island Development and Infrastructure Development. Special effort will be made to encourage business activities in the Information Technology (IT) industry. At the same time, efforts will be made to lease our airspace for launching information transmittal satellites and to make use of opportunities available to us in cyberspace.

The growth of the Private Sector will be encouraged further through greater efforts at human resource development, which entails both the improvement of the quality of our education and enhancing the various skills of our labor force. These are discussed below under Education and Training. Special programs will be implemented to provide training for women and other disadvantaged groups such as the poor. Providing jobs for the unemployed and our fast growing labor force is one of our key objectives. In collaboration with the Private Sector, aid donors and NGOs strategies will be implemented to create more job opportunities both in the form of paid jobs and self-employment.

e. Improving Resource Allocation

Achieving our National Vision requires improvement in the allocation of our resources, which include the incomes in the hands of our stakeholders, foreign economic assistance as well as our real resources. The latter include our human resources and the natural resources of land, marine resources, environment, and our man-made capital assets such as the infrastructure. The term improving is used in the sense that the existing pattern of resource allocation must be revised in such a way that it assists us better in achieving our National Vision. That means we should improve our resource allocation in order to achieve all the goals and objectives stated in Chapter 3. However, we might summarize those goals in broad terms by saying that we should reallocate our resources in order to achieve the highest possible growth in our future incomes in a sustainable manner and to ensure that our total income is distributed fairly and equitably, ensuring an improvement in the quality of life of all of our citizens.

Our strategies for improving allocation of resources can be considered in three ways: the Public Sector, the Private Sector and the Household Sector. With regard to the Public Sector, our most important strategy is to ensure that the resources received by the Government in the form of compact funds would be used most carefully

“Jepilpilin Ke Ejukaan”

and rationally in order to maximize the benefits to our people both in the present and in the future. In this regard, we want to ensure that by using a part of those resources we establish future financial sustainability for our nation. That means, in the event we will not continue to receive sufficient foreign economic assistance in the future, we should, by the year 2018, have established a reliable and a regular source of income for our nation. As the best strategy for this we will build up our MIITF, which was discussed earlier under “Strengthening the Financial and Fiscal System”. Our objective is to build up that Fund at least to a level of US\$500 million by 2018 by investing it abroad and managing it efficiently without making any draw downs in the first fifteen years.

Other strategies in the Public Sector have also been discussed thus far. These include the following:

- Informed, rational and coordinated decision making in regard to allocation of resources through such mechanisms as the NPCC; and
- Implementation of **Vision 2018** by using the Annual Government Budget as a tool of implementation.

The second item above implies that future development projects will be selected after a careful analysis of their costs and benefits in regard to their contribution towards the achievement of national goals and

objectives. It also implies that Ministries and Statutory Agencies will change their present patterns of resource allocation in accordance with priorities of **Vision 2018**. In order to facilitate and ensure such reallocation, the current budget format will be changed to a program budget (Table 4:1).

Changing the budget format will require both the commitment of Ministries and Statutory Agencies to the goals, objectives and strategies identified in **Vision 2018**. In addition, the change requires the existence of capacity at these levels to formulate their budgets in the new format. Since such capacity is inadequate at present, measures will be adopted to train the Ministry and Statutory Agency personnel in the formulation of program budgets based on the Strategic Development Plan. In addition, measures will be undertaken to review and strengthen our public service to enable it to assist in the successful implementation of the Plan Framework.

Strategies aimed at the use of the Annual Budget, as a planning tool will be implemented. This change will create a new process in which the documents shown in Table IV: 1 below will feature on a regular basis. In regard to the improvement of resource allocation in the Private Sector, our strategy is to reallocate resources into the development of foreign exchange earning activities. The Plan has incorporated several strategies to encourage the growth of the Private Sector so that the desired reallocation of resources can be achieved. Many of these strategies have been

“Jepilpin Ke Ejukaan”

discussed under the previous section on creating an enabling environment. In addition, the Plan incorporates sectoral strategies aimed at the development of our productive resources such as Agriculture, Fisheries, Tourism, and Manufacturing, which are presented under Section III of this Chapter. Sections IV and V present further strategies, which will enable the improvement of resource allocation in our economy respectively through Outer Islands Development and developments in the area of Science and Technology. Reference has already been made earlier to policies and programs that will be implemented for encouraging commercial banks to increase lending by using up their excess liquidity.

In regard to the household sector, strategies will be implemented to change our people's attitudes in a manner that would lead to a greater level of saving in the Private Sector and to a higher level of cost sharing of Government provided services by the consumers. We will implement policies and programs aimed at encouraging our people to save more and become more self-reliant. Policies will also be implemented to charge higher user fees for Government provided or subsidized services. In the same vein, policies to encourage people to participate more in the provision of these services such as in maintaining of school buildings and health clinics, participation of parent teacher associations will be adopted. The Government will also work in partnership with NGOs in achieving this objective. More intensive public awareness

campaigns to heighten the sense of personal responsibilities in these areas and in personal health care will be carried out. A National Symposium will be conducted to better understand the problems associated with the existing consumption and saving habits of our people.

In regard to the former, the strategies that will be implemented will be those aimed at providing equal job opportunities, equal access to education, better health care and family planning, ensuring better nutrition for women. Policies and program will be pursued for the protection of women's rights including those relating to eliminating domestic violence, providing child support and protecting matrilineal land rights. In regard to children, steps will be taken to implement the relevant recommendations of the Conventions on the Rights of the Child.

With regard to ensuring more equitable distribution of income among different income groups, our National Vision incorporates strategies aimed at, raising the income levels of low-income groups, and for increasing job opportunities. In addition, we will provide greater social security benefits to vulnerable groups and the disadvantaged. Appropriate policies will be incorporated in our tax system to ensure more equitable income distribution. During the early years of the Plan, a national Poverty Survey will be undertaken to assess the incidence of poverty and to identify groups of our people who fall in that category. Based on the Survey, policies and programs will be

“Jepilpilin Ke Ejukaan”

designed and implemented to assist those who need assistance. In addressing the needs of the poor and the disadvantaged, the Government will work in close partnership with NGOs and other organizations interested in assisting the poor. Policies and programs will be

implemented to ensure that prices of essential consumer goods in the Outer Islands and Ebeye are not far higher than those in Majuro.



Chain of Small islands of Majuro Atoll, by Courtesy of MIVA

Table 4.1: Annual Budget As A Tool Of Plan Implementation	
Document	Items Included
Annual budgets	<ul style="list-style-type: none"> • Proposed expenditures (shown by Programs and Sub-Programs with a summary of policies and programs and specific performance target to be achieved during the fiscal year shown against each Program) • Anticipated revenues • Development Expenditures • Recurrent Expenditures • Proposed receipts, disbursements and commitments of external aid • Opening and closing balances, flow of funds of public financial assets including Trust Funds and Special Funds • Revenues and expenditures for the previous year and projections for the next fiscal year • Government borrowing in the current fiscal year, existing national debt and annual debt servicing.
Medium term Budget Framework	This document will present a four-year statement of the Budget by main Programs of Revenue, Expenditure and Financing.
Annual Economic Policy Statement by the Minister of Finance	This document presents a macroeconomic overview and a sector review of the progress of the National Vision.

We will also implement strategies for ensuring an equitable distribution of income in our society. These are aimed specifically at:-

- ensuring optimal accessibility to opportunities to ensure wider participation of women in our self-reliant and sustainable development process; and
- ensuring an acceptable level of equity in the distribution of national income among different income groups and among family members within families.

f. Foreign Affairs and Trade

It is important for us to strengthen our capacity to manage our external affairs successfully in order to be able to meet our challenges from Globalization and Climate Change. At the same time, we should also be able to derive as much benefits as possible from opportunities such as technological advances that come from external sources. In order to be able to do these, we will strengthen our institutional structures and mechanisms that are established to deal with our foreign relations. In particular, steps will be taken to improve the capacity and productivity of that part of our Public Service, which is involved in

“Jepilpilin Ke Ejukaan”

foreign affairs, our Embassies, Consular offices and trade offices.

We will also effectively participation in all relevant international efforts aimed at minimizing the adverse impact from Global Warming, Climate Change and Globalization. At the same time, we will implement measures to reap the maximum possible benefits from external opportunities to achieve our National Vision. These will be policies and programs aimed at attracting foreign investment, obtaining tariff concessions for our products in major markets such as the U.S. and benefiting from opportunities in the information technology industry, for employment creation and trade. These policies and programs will be further strengthened through strategies aimed at enhancing the skills of our human resources in order to both attract foreign investment and also to improve the chances of our workers finding jobs overseas.

A coordinated and an enhanced effort will be made to diversify our sources of foreign economic assistance so that the risk involved in being dependent on one or two major sources of assistance can be reduced. At the same time, policies will be implemented in order to ensure that our foreign economic assistance is channeled into sustainable development programs, which enjoy high priorities in accordance

with our National Vision. Furthermore, as discussed in the relevant sections in this document, highest priority will be given to those strategies that would result in maximum donor cooperation such as those that enhance transparency and accountability as well as good governance in general.

g. Infrastructure

Adequate and affordable infrastructure services needed for the achievement of our National Vision would be provided through several strategies. These are aimed at the provision of communications, sea, air and land transportation, water and energy and the facilitation of safe residential houses and commercial buildings. The strategies are particularly aimed at facilitating development in the Outer Islands in view of the existing considerable disparity in rural and urban amenities. Programs will be implemented for the provision of efficient and affordable sea and air transport services to the Outer Islands with reliable flying and shipping schedules. Given the special circumstances of our country having been made up of small atolls scattered over a vast ocean with considerable distances from one another, we view shipping as an essential service similar to providing the national education and health systems to our people.

“Jepilpin Ke Ejukaan”



Majuro Uliga Dock, by Courtesy of MIVA

On this understanding therefore, the alternative modes of operating our field trip services will be carefully studied and analyzed before adopting the most suitable method. As the population of our Outer Islands are economically disadvantaged, all factors contributing to this condition will be considered to ensure the privatization of our shipping service will result in the most economical and efficient system possible, and also benefit our people at large. At the same time we will ensure that the needs of the Outer Islands are not unnecessarily jeopardized but are adequately provided. Through comprehensive and strictly enforced and monitored operating agreements, we will ensure that the quality and internationally accepted safety

standards are followed. At the same time, transport services within Outer Islands will be improved by encouraging the use of “bumbum” aluminum, as well as sailboats and the use of environmentally friendly means of land transport.

Programs will be implemented to improve the domestic air services are by addressing the problems of the financial weakness and the poor maintenance record of our airline. Already a review of the organizational structure, staffing and finances of the airline has commenced. Other strategies relate to international air services and proper maintenance of infrastructure. Working in partnership with our Private Sector, the local governments, the airlines as well as our neighboring

“Jepilpilin Ke Ejukaan”

countries, an effort will be made to improve our international air services. The new development projects needed for improving both the air services and the sea transport between Majuro and the Outer Islands will be designed and implemented after the current review of the Outer Island transport infrastructure undertaken with ADB technical assistance is completed.

In regard to energy, programs will be implemented to provide both diesels generated electricity as well as solar-generated electricity based on their respective viability. In particular a program will be implemented to expand the use of solar energy in the Outer Islands. Energy efficient policies will be designed and implemented. Strategies aimed at improving access to clean water will be implemented. These include, increasing the number of solar energy based reverse osmosis and distribution systems and assisting households to have ground wells and water catchments systems. The quality of water will be monitored more regularly through the increased efforts of EPA and devolving responsibilities for this task to the Local Councils in the Outer Islands. The EPA will provide the necessary training in this area.

Strategies adopted in the area of communications include those adopted by the National Telecommunications Authority to keep up with technological progress and to improve its financial viability. With assistance from the NTA, policies and program will be implemented for improving communications to and within the Outer

Islands and to provide opportunities for clients to receive the benefits of international technological progress in this area. An effort will be made to improve the emergency communications network between Majuro and Outer Islands linking both hospitals and the schools. The possibilities of establishing an amateur radio system for inter atoll and intra-atoll communications as well as of the use of a satellite system for Outer Islands will be explored.

In addition, policies and program will be implemented to ensure that our entire infrastructure related assets are kept maintained properly and on a regular basis. The funding necessary for this purpose will be included explicitly in our Annual Government Budgets. The Repair and Maintenance Fund approved under existing legislation will be established. A program of Training in Maintenance will be started and continued and the necessary Repair and Maintenance manuals will be produced for all areas concerned. To the extent possible the assistance of Outer Island communities and Local Government will be secured for maintaining assets in their respective localities. At the same time a comprehensive program of ensuring safety of sea, air and land travel will be implemented. In order to ensure the construction of safe residential houses and to encourage physical planning and zoning, a Building Code will be developed and implemented in consultation with land owners. The Building Code will include provisions aimed at ensuring greater energy conservation, provision for water

catchments and planting trees, gardens and lawns around houses and other buildings that are constructed, renovated or remodeled. The Land Registration and Land Management Acts be implemented and a study will be conducted to verify public and coastal land ownership.

h. Environmental Sustainability

In regard to environmental sustainability, we will implement strategies aimed at meeting both external and internal challenges. Externally we will focus all possible efforts on mitigating the threats to our sustainable development and indeed our very survival from Global Warming, Climate Changes and Sea Level Rise. The greatest threat to the very existence of our nation is the Sea Level Rise. We will take all possible measures to increase the awareness among our people of this threat, to make the necessary planning and preparations to meet that challenge and to secure international support to reduce its impact on our nation. We will make the greatest possible effort to lobby the international community to call on all industrialized nations to ratify and fulfill their commitment and obligations under the Kyoto Protocol and other related protocols at the earliest. Strategies will be implemented to have in place a contingency/adaptation plan to counter the emerging threats resulting from the Climate Change phenomena. For this purpose securing the involvement of elected

and traditional leaders will strengthen the Climate Change Country Team (CCCT). A nationwide education program will be carried out to educate our people including the Private Sector about the effects of Climate Change, Sea Level Rise, and Ozone depletion on atoll environment. The Climate Change Contingency/Adaptation Plan will be reviewed and implemented.

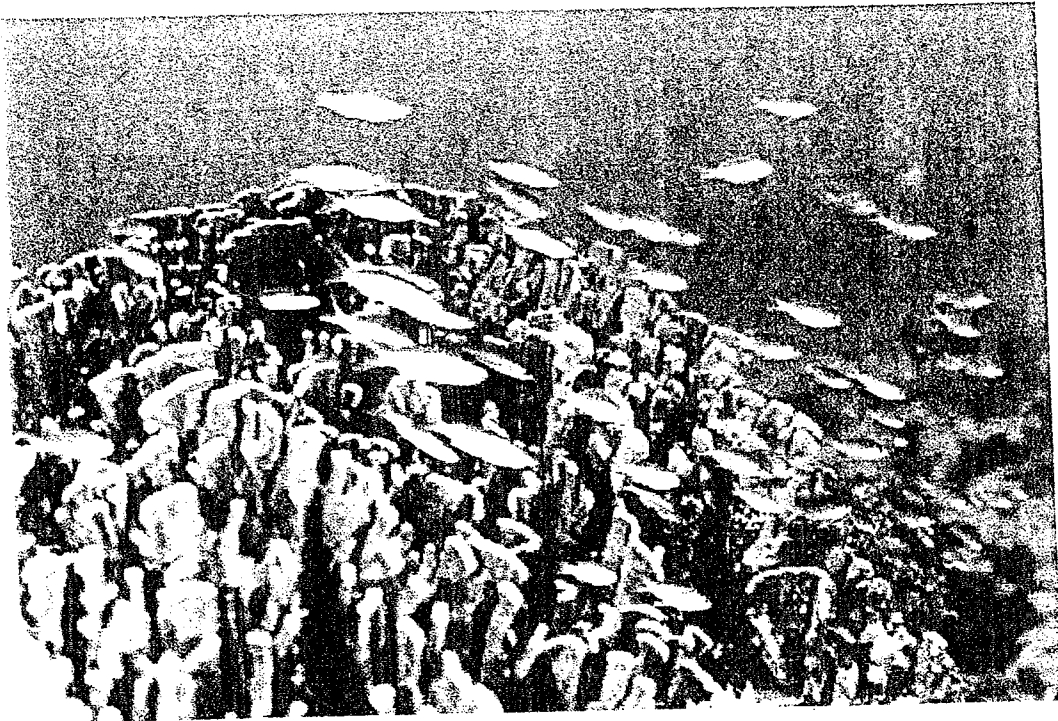
In terms of internal challenges, we will strengthen our efforts to minimize the environmental degradation in our country and to harmonize our development efforts with environmental protection. Towards that, we will first strengthen all our institutional mechanisms including the EPA, HPO and other regulatory authorities as well as the laws, regulations and procedures established for this purpose. These efforts will be further enhanced through the establishment of greater coordination and collaborative action among all relevant regulatory agencies in the Government. The support of Local Council will also be actively sought. Through these means the relevant laws and regulations will be enforced more effectively.

In addition, we will also implement policies and programs to ensure greater compliance to environmental protection laws and regulations from the Private Sector and the general public. This will be done through various means, which include more intensive public education and awareness programs and campaigns. Aid donors will be required to follow our Environmental Impact Assessment (EIA) regulations in the design

“Jepilpilin Ke Ejukaan”

and implementation of their development projects. Facilities will be provided for the general public to more easily dispose their solid waste. At the same time a well coordinated and an efficient program will be carried out for the safe and quick disposal of solid waste in the urban areas. In the immediate future we will formulate a

National Waste Management Plan. Efforts will be made to identify and revitalize specific traditional environmental practices, methods and sites and to enhance public awareness about such methods and sites. Environmental studies will be included in school curricula.



A Major Contributing Factor to the Sustainable Development of the Marshall Islands, by Courtesy of MIVA

II. Human Resource Development

a. Education

Education forms the foundation of our country and therefore is the cornerstone in the achievement of our **Vision 2018**. We can no longer take it for granted. **Vision 2018** is an expression of our will, the People of the Marshall Islands to place priority on education by investing vital resources that will ensure achievement of our National Vision. An education system, which is contextually and culturally suitable, but internationally competitive, is our national priority. We will achieve that by building on initiatives already underway to reform education and improve student achievement standards to acceptable levels. The Strategic Education Plan, and its accompanying Implementation Guidelines, identifies additional reform initiatives that the Ministry of Education must undertake in the short and long-term future. An audit to align goals of the Strategic Education Plan to the broader framework of Human Resources Development resulting from the NESS2 and **Vision 2018** will be a necessary first step. Likewise, a nationwide consultation between the Ministry of Education and community stakeholders, including teachers, parents, traditional, business and community leaders will need to be concluded immediately.

A logical extension of the education planning process is the requirement for all atoll local governments to formulate respective Education Plans in close consultation with communities. While the constitutional responsibility for education is vested in the Ministry of Education, the

Implementation of the Strategic Education Plan, and any other education reform initiatives, calls for a close partnership with our communities. Two initiatives are planned in the near term to increase public awareness and create ownership and commitment towards the Strategic Education Plan and our education process overall. A second Education Summit will be convened by the Ministry of Education, followed by a National Symposium on Education with the following objectives:-

- to increase awareness and create public ownership of the Strategic Education Plan;
- to inform the public of new and planned reform initiatives;
- to increase awareness and instill appreciation in the minds of our people on the importance of education in the future development of our nation; and
- to encourage close partnership between the Ministry of Education, Schools Local Governments, and parents.

“Jepilpilin Ke Ejukaan”

partnership with local communities is essential for the improvement of education in our country. To that end, Local Government Education Plans will be mandated to encourage this partnership and to create ownership for localized school improvement efforts. Such plans will reflect community thinking and plans for the maintenance of schools facilities and grounds, and other curricula and material improvement deemed culturally valuable and economically sustainable for community members.



The Future Leaders of the Marshall Islands, by Courtesy of MIVA

A closer assessment of our education management information system is required. Important statistics about fluctuations in school enrolment, number of repeaters and school drop outs, and graduates are needed for planning effective programs in future. The launching of the Pacific Education Data Management System (PEDMS) software is critical to this initiative. Requisite training on software use and on the importance of

collecting and using data for education planning purposes will be essential for its success. Particularly important as a spin-off from the PEDMS will be literacy development both in English and Marshallese languages focusing mainly on kindergarten and early years of elementary.

The purpose of education and the overall support for the development of our schools will be continually assessed to

“Jepilpilin Ke Ejukaan”

ensure the system is meeting the country's human resource needs in all areas including "white collar jobs" as well as vocational and technical skills and expertise. Necessary restructuring of the Ministry of Education is part of the recommended efforts of the Strategic Education Plan that will make the system more responsive to shift in thinking and priorities of our nation. A new Policy Section will be created in the Ministry of Education to oversee policy implementation and necessary changes reflective of our National Vision. The Ministry of Education Rules and Regulations are undergoing review to ensure they are comprehensive, consistent and flexible to maintain high quality standards for all employees. The following actions will further these efforts:-

- appropriate national qualification standards and assessment measures for elementary, secondary schools and college be developed and results used to guide and improve quality of education;
- program review be conducted for USP/RMI Joint Project, the high school college preparatory program and CMI Upward Bound and Developmental programs with a view to enhance their quality and ensure their cost-effectiveness;
- immediate efforts be made to incorporate cultural and traditional beliefs, values, arts and crafts and language into national elementary and secondary curricula; and
- strengthen the ability of schools to carry out organized physical education and sports related programs in schools with more balanced gender approach.

We want to reaffirm the importance of non-formal education and training as a major component of our education strategy.

It is very important that we move quickly on this non-formal training and clearly establish the link between our formal and non-formal education programs to ensure that they complement each other and thus avoid duplication and waste of resources. The National Training Council established under the Industries Development Act is charged with the mandate on non-formal education. We are grateful to the support of ADB and UNDP who have been assisting us in the areas of vocational training. Under the ADB Program Loan on Skills and Training, funding and technical assistance is available to help us establish a Vocational Institute with all the associated requirements. It is our hope to provide vocational training in those areas much needed by our country, both in Government, Local Governments, and the Private Sector. We would also ensure there is no gender bias in our vocational training courses and that the credentials of our graduates shall be internationally competitive. More discussion of vocational training can be found under the section on Skills Training below.

Another important task is to review the Education Act, the legal framework for education, to ensure its provisions are fully implemented. Where additional resources are required to fully implement the Act, assistance will be sought from the National and Local Governments. The following specific provisions will be reviewed and revised as necessary with a view to making them enforceable:--

"Jepilpilin Ke Ejukaan"

- school standards, rules and ethics for all teachers, parents and students;
- standardized curriculum and school examinations;
- school supervision and monitoring;
- national qualifications standards for elementary, high schools and college programs; *not possible*
- compulsory education from kindergarten up to high school;
- that schools in the country must have adequate textbooks and other core school supplies; and
- any other issues identified from the nationwide consultative process.

We would also work towards establishing at the earliest possibility, a team of Core Education Specialists in the Ministry of Education who could become the "Education Think-Tank" for our country. We hope to clearly establish in the course of reviewing our Strategic Education Plan, the specialized areas that this Core Staff must represent. However, we envisage having specialized people in curriculum development, education administration and management, human resources planning, psychology, science and technology and financial manager. Our ultimate goal is to have all these specialized posts filled by our local people but in view of the inadequate number of qualified people in education at this point in time, we will initiate a relevant training program for the staff at the Ministry

including other potential local candidates at the earliest.

In the meantime however, we would be looking towards our donor partners to field certain experts and volunteers until such a time we would get our own qualified people. When on board, this Core Team must exert exceptional degree of commitment and dedication and should be able not only to perform their duties from their base in the Ministry but more so must be mobile and visit our schools regularly. But addressing the professional development of education personnel including the teaching profession overall is not enough. In fact, training aimed at upgrading the professional skills of education personnel is a waste unless staff working in the Ministry, are truly motivated and have the overall attitude of hardworking, dedication and commitment in the performance of their duties. In this regard, the Ministry will foster management-training workshops from time to time aimed at enhancing the overall professional attitude of staff in the Ministry towards their work.

Equally important would be the establishment of an organizational structure that encourages decentralization of school administration and management from the Ministry of Education to the Principals and School Committees of each school, including Atoll Local Governments. The rationale here is simply to create partnership among all strata of our society in the promotion of education for all thus making sure our people truly benefit from the

“Jepilpilin Ke Ejukaan”

process. At the same time it is our conviction that by devolving certain responsibilities to those at lower management levels would encourage high motivation and commitment. The responsibility on the National Policy on Education vest with our Ministry of Education and whatever functions to be delegated must be clearly defined to avoid conflict between the authorities in the Ministry and those at the Local Governments and School Committees. Appropriate decentralization within our educational structure will certainly integrate our school system into our respective communities and lead to greater appreciation and hence to a commitment by all people at all levels of our society to play their role in making education in our country indeed the priority contributor to the achievement of our sustainable development.

Lack of qualified teachers has been a continuous problem confronting our nation since the start of our First Compact with the United States. We cannot continue to rely on overseas teachers for obvious reasons such as high recruitment expenses. A priority therefore for us will be the commencement in the next academic year, of an aggressive comprehensive Training Plan aimed at upgrading qualifications, teaching skills, and the overall professional development of teachers and school principals. In the next 3 to 4 months the Ministry of Education will carry out an internal audit of the training requirements for

all personnel serving in the Ministry of Education to ensure they are well accounted for in the overall Labor Market Survey. But if the Labor Market Survey addresses the Private Sector only, then a comprehensive Training Needs Assessment of the Public Sector must be undertaken as early as possible to address the professional training requirements for ongoing serving public servants including teachers. This Training Needs Assessment is discussed in more detail under the Section on Skills and Training. The internal audit of the Ministry's training needs will result in the formulation of an Education Training Plan that should show clearly the types and number of training for each specialized area in education, and number of scholarships for teachers based on the required number for each professional category of the teaching profession.

We would like to implement this training program at the start of the 2002 academic year. By the year 2018, we hope to have trained over 2000 certified elementary teachers, and likewise over 700 High School teachers with Bachelor and Masters degrees, in the different specialized fields thus enabling us to maintain a trained teachers/pupils ratio of 1:17. Our National Vision also envisages locally qualified teachers with qualifications up to Doctorates to teach at CMI and also to make up the “Education Think-Tank” we envisage at the Ministerial level. The immediate policy decision required right away is to review the existing force and ensure that all schools

“Jepilpilin Ke Ejukaan”

human problem

have a fair share of certified teachers, and not only concentrated in Urban Centers. At the same time it is important that the Public Service Commission assist where necessary to control the transfer of certified teachers away from the teaching profession to enable our teaching force maintained at reasonable levels. Also important is that CMI is moving towards offering a four-year Bachelor's degree program in education, which calls for all concerned to provide all the necessary support and at the same time ensure that we have a well-credited program once it starts.

lack the required qualifications, to take up further training at the CMI in order to get them certified.

The Ministry of Education will also examine closely the existing scholarship grants available to the people of the Marshall Islands under our Compact with the United States to make it fully complement our mission to arrive at high numbers of locally qualified teachers. Table 4.2 below illustrates the points made earlier that our existing scholarship program to be reviewed carefully in order to make it an instrument for producing more qualified teachers and other skilled human resources. Starting this year, we will review the Teachers Training Program of the College of the Marshall Islands (CMI) with the aim to ensure it consistently produce higher number of certified teachers. We would also expand the CMI, both its programs and facilities as appropriate, to include annual training workshops to continuously upgrade the skills of our serving teachers. We would also work out a training program specifically for our serving teachers, especially those in kindergarten and elementary schools but

Total Compact Funds	\$6,815,266
Total RMI General Funds	\$529,452
Total Compact and RMI Funds	\$7,344,718
Total No. of Scholarships Recipients	1,614
Average Cost per Scholarship	\$4,551
Total No. of Program Completers	245
Total Cost per Completer	\$29,978

In addition to implementing a training program for our teachers, there remain the much more extensive training requirements for the whole of our nation. As yet, there are not enough locally qualified people in our country, which contributes to the low capacity of our Government to effectively administer our development programs. For the foreseeable future, we shall rely on technical support from our donor partners overseas. However, it is important that we ensure that the Labor Market Survey that was commissioned recently reflect our training needs both in the areas of formal and non-formal education. From the finding of this Labor Market Survey as well as any other commissioned training assessments by the Public Service Commission including other Government Ministries and Statutory Agencies, Local Governments, the Private Sector, and Civil

“Jepilpilin Ke Ejukaan”

Society, we will then establish an overall National Training Plan. In addition, our Ministry of Education will review the present Scholarship Act in light of the Labor Market Survey and any other training needs assessment, with the view to ensuring existence of a satisfactory procedure for the selection and award of scholarships to our people.

While we have recognized the immense contribution by education to a better quality of life for our people, we have not adequately addressed the real issues. The teaching profession is not being accorded its appropriate status relative to other professions and technical occupations in Government. Over the years, teachers have been leaving the teaching profession seeking better compensation in other occupations. Yet, the fact is education is the prime process that has impacted considerably on our individual lives apart from our parental guidance and cultural surroundings. One of our priorities in the immediate future would be to focus on reviewing the education sector salary structure with the view to giving education its appropriate status as a dignified occupation. In particular, we will consider incorporating a salary structure that takes into consideration the extensive impact of education on our society, an incentive package for those serving on the Outer Islands, as well as responsibility allowance to those in charge of schools. By doing this, we hope to retain our qualified teachers in the teaching profession.

One of the most important challenges for our education system over the next 15 years is the changing of the “mindset” of our people. Our education system will have to impart knowledge and skills among our people to revive our “sense of belonging” and make our young generation truly responsible, innovative and hard working. The schools must set standards and rules for all teachers and students and ensure that these standards are enforced. As a start in changing the mindsets of our children, our Ministry of Education hopes to commence implementing a new policy at the start of our next academic year in September 2001. Under this new policy, discipline will be re-enforced by requiring all schools to stage a formal school assembly. It is our wish to leave it to the Schools Administrators to work out the timing including the manner the proposed school assembly will be conducted. It is however intended that this school assembly will undertake a school roll of all teachers and students, followed by announcements, flag raising and singing of our National Anthem. All schools will also be required to develop and implement a physical education program.

The considerable advance of science and technology requires our education process to be updated to the current know-how. The introduction of Computer Science and Information Technology courses, in all our schools is essential throughout the nation. At the same time, we must inform the public at

“Jepilpilin Ke Ejukaan”

large of the opportunities that are available in the world of Information Technology, particularly that of the Internet to enable us to make the best out of these technologies while minimizing its risks upon our society. It will require us to provide computer laboratories, with a reasonable number of computer hardware and software, plus the necessary teaching manpower in all our schools. Furthermore, as much as we could, we would explore all possibilities under our Compact with the United States to make us truly benefit in the area of Science and Technology.

Then there is the issue of financing our Strategic Education Plan. As mentioned above, we must have the political will to allocate adequate funding to the Education Sector, noting in particular the trend all over the Pacific where Education commands the highest budgetary allocation. We need to re-look at the present funding allocation and agree on a framework that provides adequate funding to our education sector, making sure that we have factored into our costing population growth. It is also important that we identify other sources of funding from local sources aimed specifically to support education. Our schools buildings and other facilities require early upgrading and renovation. And there is also the issue of private schools that have contributed to the advancement of education in our country. The Ministry of Education will review possible assistance that Government could offer to private schools and come up with an appropriate policy on the role of

private schools in our national education system.

We will not be able to arrive at an ideal situation of providing our schools with first class facilities and teaching aids. But the least we must do over the next 15 years is to make sure the funding allocation for our education will not be affected by any of our national reform programs that involve cutting down of expenditures in the Public Sector. While it is an immediate national need right now to get well qualified and trained Marshallese to serve in the Public Service, we must make sure that improving the quality of education, especially at the elementary level, is not negatively affected due to excessive allocation of resources for post-secondary education.

b. Skills & Training

A common dilemma confronting most of our neighboring countries in the Pacific has been the lack of a clear direction and imperatives on non-formal education. This is the same in our country although we had recently addressed this dilemma in the reinforcement of our National Training Council (NTC) by reviving its Board of Directors. The execution of the ADB Program Loan on Skills and Training is also already addressing a range of critical issues on non-formal training. We see non-formal education and training important for those students who could not meet up to the formal academic requirements and for our unemployed adult population. Already there

“Jepilpilin Ke Ejukaan”

is an excessive rate of unemployment in our country, and the challenge for us over the next 15 years is to assist our unskilled people to gain productive skills through a dynamic non-formal education and training program. The lack of appropriate non-formal training programs has been compounded by the lack of adequate financial resources and thus we would ensure that adequate funding is allocated for non-formal education and training to ensure early and effective implementation of our national vocational training programs.

Our National Vision calls for “a productive people” in whom a National Strategy on Non-Formal Education and Training would prepare the majority of our people to manage change and contribute productively to the achievement of our

Vision 2018. The ongoing Labor and Market Survey will provide us with an inventory of our non-formal training needs at all levels of our society: National Government, Local Government, and Private Sector and in our own Atoll Communities and Households. It is also important, in view of the increasing out-migration of our people that we provide them with the minimal skills to enable them lead productive lives in the United States, and in turn, contribute to the sustainable development of our nation by way of sending back remittances. At the formal education level, we will introduce directives in the areas of traditional fishing and agricultural skills, handicrafts, basic book-keeping and other basic skills to equip our young generations to lead productive lives.



Net Throwing-A Fishing Skill, by Courtesy of MIVA

“Jepilpilin Ke Ejukaan”

As part and parcel of our Non-Formal Education and Training Strategy we will be establishing a Vocational Institute, which is one of the priority activities of the ADB Program Loan. Already there is the existing Fisheries and Nautical Training Center that can also be expanded to include training for our sailors. On the latter point, it is especially advantageous for our country, from the perspective of our successful Ship Registry, that we can actually have all ships flying our National Flag, manned by Marshallese sailors. Even our effort to train skilled Marshallese to work on foreign fishing vessels is yet to be fully realized. We have tried in the past and we should once again re-look at our approach in the first place, and improve on where we went wrong. On the subject of sailors, we could benefit greatly from the experiences and lessons of the Marine Training Schools of our neighbors, Kiribati and Tuvalu, who had received immense economic benefits from their numerous sailors serving on foreign vessels.

As in formal education where we must have internationally recognized qualifications and standards, so also is the case with non-formal education. Within our Public Service for instance, we must have standards for all job categories. For example, Clerical Officers, must demonstrate competency, by passing a certain examination both theory and practical, based solely on minimal skills required for an Office Registry Clerk. Similarly, a Senior Executive in a Ministry or

PSC or NTC

Statutory Agency, must demonstrate competency in management and other skills such as policy formulation and analysis, and should also be made to confirm his or her competency by passing relevant written examinations from time to time. Any officer serving in Government must be well versed with the Public Service Orders and Regulations and again this should be consistently verified by way of examinations at least ever 4 to 5 years of service. For those public officers serving in the Statutory Agencies, they must be well versed with the legislation governing their agencies, and should also be subjected to examinations from time to time.

Over the next two years, we will be developing sets of standards and performance indicators for all job categories in the National Government including Statutory Agencies, Local Governments, Private Sector and Non-Government Organizations (NGOs) with the aim to officially commence vocational training in relevant programs by the year 2004. Thereafter, we would ensure that whatever examinations standards we adopt, are consistently enforced. However, for the very immediate future, and in anticipation of the findings of our national Training Needs Assessment, we would like to embark on training in community development skills, project design, planning and management, small business skills, and how to manage family finances including loans, expenditures and savings. The areas of training listed here are very much in demand in our

"Jepilpilin Ke Ejukaan"

country right now and we would like to see training programs in these areas started by the year 2002.

*Who?
Surf?*

next year, would be to recruit minimal number of expertise from overseas to fill in the gap while we send our people for further education. We can see from the foregoing that in order for non-formal education to take off and become successful, our NTC must be strengthened and provided with adequate finance and human resources. In the medium term, we will be looking towards recruiting Volunteers from abroad availing in particular the Volunteer Assistance Program from our donor partners.

We shall make sure that we do not end up with a big Administrative Office with many staff responsible for non-formal education and training but does not deliver to benefit the majority of our people. To avoid this from happening, we will look at ways of decentralizing vocational training activities throughout our country and even explore the concept of "Mobile Training Teams" to travel throughout our Outer Islands, bringing the training to the people thus ensuring that most people benefit. We will also carry out an inventory of our NGOs and the type of training they are involved with, and where appropriate, use them to carry out training programs under their areas of expertise. The use of our National NGOs is especially an important strategy to attract supplementary financial grants available to International NGOs for capacity building in the developing world.

It is also important that we appreciate and recognize the difference in having the right people with the right background to oversee and conduct our National Vocational Training Program once established. From the experience of other countries, we are told that one of the failures of their vocational training programs relates to the involvement of ex-school teachers who had not been trained in the appropriate skills required by instructors in vocational education and training. Right now, we do lack such instructors and a priority over the

c. Health & Population

i. Health Situation

Our health status has improved significantly over the last 10 years as shown in Chapter 2. Most indicators of health status have improved. However, we still have many challenges facing us in this area. The challenges include the need to reduce the incidence of communicable diseases such as tuberculosis, leprosy, gastroenteritis, typhoid, scabies, conjunctivitis, sexually transmitted diseases (STDs), influenza and diarrhea. Another challenge is that of non-communicable diseases or "life-style diseases" which include, diabetes, hypertension, heart diseases and cancer. Due to the high incidence of these lifestyle diseases combined with inadequate healthcare facilities on Island to treat them we have to refer many of our patients off-island for treatment. This off-island referral program

“Jepilpilin Ke Ejukaan”

is increasingly causing a financial drain in our National Budget. It is the intent of the Marshall Islands Government to aggressively improve the Outer Island medical services to relieve the off-island medical referrals.

ii. Health Sector Strategies

Our National Vision calls for us to become healthy people. Accordingly, our goal here is to build the capacity of each community, family and individual to care for their own health through quality primary care program and to provide high quality affordable and efficient health service for our people. Given that the basic building block of a society is the individual, the process of becoming a healthy nation starts with each individual. It is only through an effective

primary health care program, which motivates our people to take initiatives in following healthy life styles, that our health status can be improved on a sustainable basis. Towards this end we will first and foremost revise and implement our already existing 15-Year Strategic Health Plan. That Plan is based on the following Mission statement:

“To provide high quality, effective, affordable and efficient health services to all people of the Marshall Islands, through a primary health care program to improve health status and build the capacity of each community, family and individual to care for their own health. To the maximum extent possible, the Ministry of Health and Environment pursues these goals using the national facilities, staff and resources of the Republic of the Marshall Islands.”



Living Healthy Lifestyles – Children of the Marshall Islands, by Courtesy of MIVA

“Jepilpilin Ke Ejukaan”

We will reinforce the primary health care concept endorsed in 1987. A sustained intensive effort will be made to ensure that the thrust of our health care program will focus on preventive health care while at the same time enhancing our curative health services to enable our people have the confidence in our own hospitals. Towards that, the target programs will be implemented to get all stakeholders in the community involved in promoting primary health care. This will be followed by the implementation of a comprehensive and a sustained program to educate our community to practice elementary health care living standards. We will oversee our primary health care program through our Community Health Councils while further strengthening the program through complementary primary health care programs developed for each atoll with the participation of Local Governments, NGOs and other interest groups. We will renovate and improve all Health Centers in the Outer Islands and build new ones where necessary. We will take steps to further improve the health and well-being of mothers and children through strengthening of pre-natal and post-natal health care and immunization programs. An Action Plan will be developed and implemented to aggressively promote nutritious diets, which mainly include local foods. The consumption and production of local foods will be encouraged through appropriate tax measures, appropriate agricultural policies, re-introduction of the school lunch program

using local food and promoting health education classes in schools. Assistance will be provided in establishing facilities that encourage the habit of regular exercise among our people, especially in the urban areas.

Policies and programs will be implemented for the improvement of hygiene and sanitation at household level. For this purpose a survey of all homes in our country will be carried out to assess the sanitation needs and to formulate a plan to meet those needs. At the same time, an effort will be made in collaboration with NGOs to reduce poverty and to provide safety nets for the disadvantaged and the needy. We will implement programs aimed at reducing the number of medical referral overseas. These programs include mainly improving the quality of health services and the facilities available in our country, especially at the two urban hospitals in Majuro and Ebeye. Programs will be implemented to urgently train the personnel required at these two facilities to be able to competently operate the various medical equipment at these hospitals and to run the required laboratory tests. At the same time steps will be taken to produce skilled and qualified local health personnel so that there will be an adequate supply of such personnel in the future. The screening process followed for the selection of referring patients for treatment overseas will be improved and strictly enforced.

“Jepililin Ke Ejukaan”

Our reproductive health program will be enhanced in order to ensure sustainable livelihoods for every one of our citizens. This program will include an effective health education program aimed at convincing families of the importance of family planning, developing and implementing a national breast feeding policy and increasing access to family planning facilities and services. The current policies and programs aimed at significantly reducing the incidence of STDs will be strengthened and intensified. All possible care will be taken with vigilance in order to prevent the incidence of HIV and AIDS in our country.

The specific targets in our 15-Year Strategic Health Plan as given in Table IV: 2 below:-

Table 4.3 Health Targets 2018		
Program	(1998)	in 2017
Infant Mortality (per '000)	25	12
Mortality under 5yrs (per '000)	10	5
Immunization rate (%)	64	90
Diabetes prevalence (%)	40	10
People in control of own fertility (%)	9	50
Mainnutrition under 5 yrs(%)	24.5	0

iii. Population

As indicated in Chapter 2, according to our latest Census in June 1999, total population increased to 50,840 persons, or

by 17 percent from the previous Census figure of 43,380 persons in 1988. The intercensal annual growth rate shown by these figures is 1.5 percent, which is far below the natural growth rate of 3.7 percent recorded in the same period. The reason for the actual growth rate to fall far below the natural growth rate has been, as pointed out earlier, the significant out migration of our people to the United States in recent years. While the Compact of Free Association provides the legal right for our people to migrate, the job opportunities in that country have been a major factor attracting our people there. The uncertainty of the future of the Compact as well as bleak job prospects and the loss of many jobs due to the recent downsizing of the Public Service seem to have induced many to migrate.

While acknowledging the contribution of out-migration, it should also be noted that a fall in our fertility rate has also contributed to the reduction in our population growth rate. In 1988, natural growth rate of population was higher at 4.3 percent. Since then although our Crude Death Rate (CDR) has declined significantly from 8.9 per thousand in 1988 to 4.9 in 1999 we have managed to achieve a decline in our natural rate of growth to 3.7 percent. The main factor behind this has been a fall in our total fertility rate from 7.2 in 1988 to 5.7 in 1999. This has been mainly the result of a successful family planning program implemented by the Ministry of Health and Environment with contributions from other

“Jepilpilin Ke Ejukaan”

Government Agencies in collaboration with NGOs such as Youth to Youth in Health.

The Second National Economic and Social Summit has pointed out and recommended that the country should start taking into account out-migration as an important factor to be part of our sustainable development strategy. Our natural rate of population growth is still high both by international standards and by the capacity of our economy to absorb the increasing labor force in gainful employment. Out migration can act as a safety valve, which absorbs the excess labor force. This is one of the advantages of being, “*a country within an inter-dependent world*” as admitted in our National Vision. More specifically, this is one of the advantages of our special political and economic relationship with the United States. In our **Vision 2018** we have identified specific strategies to impart job skills to our workforce, which would prepare them specifically for jobs in the United States.

Another important trend in our population growth is internal migration. Although as shown in Chapter 2, the rate of urban influx has somewhat abated in recent years, some atolls in the Marshall Islands have experienced negative population growth. Despite the drop in the **growth rate** in urban population, over two thirds of our people are living in the two urban centers of Majuro and Ebeye. The adverse consequences of such heavy population pressure are acutely felt in both these population centers, especially in Ebeye. In

particular, the demands on housing, infrastructure and on essential services like health and education have been heavy and not adequately met. Overcrowding in many homes on Majuro and Ebeye has increased the incidence of communicable diseases such as TB, leprosy, conjunctivitis and skin diseases. Insufficient income to buy nutritious food for everyone in the home has perhaps led to the increase in the incidence of non-communicable diseases such as diabetes, heart disease and hypertension.

Another major problem associated with our massive internal migration is the fact that large numbers of our youth idle in the urban centers without being involved in productive activities. They are not only unemployed but also live on the incomes of their extended families. The pressures on our environment and on our natural resources such as the plants and marine resources (reef fish) is another problem that has intensified, due to the urban concentration of our population. Social tension also is on the rise as people compete for land, space and money, thus leading to increasing frequency of land disputes between various owners, that further lead to discouragement of potential investors. Due to the major structural changes in our economy over the past four decades we have come to depend heavily on imported food. The bias of our diet is in favor of non-nutritious imported food is one of the causes of malnutrition among our children and obesity among our adults. We believe that through the strategies in **Vision**

2018 particularly aimed at Outer Island Development, we would be able to attract some of our excess population from the Urban centers to the Outer Islands to be gainfully employed.

The dependency ratio, or the number of dependents per 100 working age populations has fallen from 109 in 1988 to 78 in 1999. But the ratio is still high and exerts a considerable strain on our resources. Our fast growing labor force is the other significant challenge we face. The labor force will grow by an amount of 800-900 new entrants per year for the next ten years. This means that with about 200-300 people retiring from jobs we will have to find jobs for about 500 to 600 job seekers every year. In the past we were not able to create so many jobs. In fact many jobs were lost due to the Public Sector Reform Program in the late 1990s. As a result, our average unemployment rate for the country as a whole including both urban and rural areas, increased from 12.5 percent in 1988 to 30.9 percent in 1999. Under the strategies in **Vision 2018**, particular care will be taken to encourage the creation of jobs in the Private Sector and in self-employment.

As discussed elsewhere, **Vision 2018** incorporates strategies to develop our sectors on agriculture, fisheries, tourism, manufacturing, IT Industries, airspace as well as our seabed potential. Such development should be able to create job opportunities for the growing labor force. Other strategies, which will assist in the process include the development of our

infrastructures needed for our general economic development, promotion of the Private Sector through creation of a favorable environment and human resources development. At the same time, we will continue to improve our family planning program in order to further reduce our population growth to levels manageable both at the family level and at the national level. Towards this end we will reactivate the National Population Council to ensure that our National Population Policy, which was adopted by Cabinet in 1995, is implemented to the fullest extent possible. We will promote reproductive health^{vi} at all levels through an appropriate population education program.

d. Spirituality and Character Development

The satisfactory achievement of our **Vision 2018** would also depend on how we, the People of the Marshall Islands live up to the expectations in terms of our attitudes to work and society, our moral standards, how trustworthy and responsible we become in the performance of duties bestowed upon ourselves. This points to the need for as much unity as possible across all strata of our society, but as we all know, “unity in diversity” while being a honorable goal, is always not easy to achieve. This is why we choose to address the controversial subject of spirituality as one of the prerequisites towards the achievement of our **Vision 2018**. We believe that spirituality is an imperative means of developing the

“Jepilpilin Ke Ejukaan”

character and values of a person to make that person a better human being. Spirituality is critical for an awakened, complete life and therefore to make it a living norm in our society, right from the individual, households and families, all the way to communities, business organizations, civil society and our National and Local Governments.

The challenge is that we do not infringe on the fundamental human rights of our people, especially their freedom of belief and religious rights, as we commit to address the spirituality of our people. However, as a People trusting in the presence and existence of Almighty God as the Provider and Giver of Life, we are duty bound to serve God in all respects of justice and righteousness. The active presence of God in a person's life will ensure a person's good moral character. To that extent, there is a greater likelihood that a person will also support and work towards the achievement of the targets that our National Vision stands for. By the same token when more of our fellow citizens are spiritually stronger, that in itself will create a strong force of momentum that will propel our nation towards our National Vision.

We would seriously explore pragmatic ways of enhancing the spirituality of our people to give us a sense of identity, our perspective of life, our sense of belonging in the world and in the whole universe, our ethics, and our understanding of love and the events of life. Without spirituality, we will not understand the

hardships and joys of life. We see spirituality as an imperative to our drive to change the mindsets of our people. We will encourage our schools to teach the basic principles of spirituality that revolves around compassion, understanding of others rights and freedom, and a commitment to help others, and to be creative in living a better life. The singing of our National Anthem, memorization of our National Motto - “Jepilpilin Ke Ejukaan” - and the raising of our National Flag in school morning parades and other formal gatherings within our society will be encouraged as a means of enhancing our patriotic love for our people and our nation.

For, as the saying goes, “We don't need blind patriots, we need critical, skeptical patriots always looking to keep the nation on the path and strong and righteous.” This applies equally to the Leaders of our society – our *Iroij* and other Traditional, Political, Religious leaders, Chief Executives of business and government organizations, whether a Secretary in a Ministry or Director of Department and/or Statutory Agency, Directors of our NGOs, Mayors and Councilors - and every single citizen of the Marshall Islands. When we have strong leaders with strong spirituality, we are assured of “true” leaders serving us, the people of the Marshall Islands in all righteous but not their personal greed. We would therefore review our existing Code of Ethics with the view to enforce the moral standards and ethics stipulated therein as a

“Jepilpilin Ke Ejukaan”

force to further the development of spirituality among our leaders.

As a priority activity, we would review relevant provision in the Constitution and other Legislation of our country and establish clearly the specific rights and freedom of the individual granted under these laws. We would also undertake nationwide consultation among the Nitijela, Iroij and other Traditional Leaders, National Government, Local Governments, Private Sector, NGOs and Civil Society, and atoll communities, in order to establish a clearer understanding of our responsibilities under the Bill of Rights as well as our traditional values and culture to enable both institutions and our People to work together in harmony. The next important activity would be to make every Marshallese understand clearly his or her rights under these laws so when we exercise these rights, we would do so in a true environment of understanding and respect of other's freedoms. Of equal importance to us, is that every single

Marshallese recognize our respective responsibilities within the context of our social hierarchy to ensure that the cultural norms and obligations expected out of each one of us, are followed and preserved for the good of all.

Our inherent cultural features as a friendly and respecting people, are already spiritual values in themselves. In this regard we would further explore ways of building these inherent qualities to make our people truly understanding and continue accepting others as they are, regardless of their color, race, religious beliefs and political ideology. We believe that when these qualities are strong in ourselves, we will be heading towards greater degree of unity among our people irrespective of our religious beliefs. Our National Council of Churches therefore may be an appropriate organization to bring about unity among the different religions and churches in our country and to steer the spiritual growth of our people in conformity with the aspirations of our **Vision 2018**.



Another Beautiful Sunset over Majuro Lagoon, by Courtesy of MIVA

III. The Productive Sectors

a. Agriculture

Over the years our imports have grown rapidly and increasingly outstripped our slow growing exports. The widening trade deficit resulting from this situation has been financed with Compact and other foreign economic assistance and to some extent with borrowing. The influx and consumption of less nutritious imported food have induced the prevalent health problems or “life-style” diseases such as diabetes, high blood pressure, obesity, and gout among our people. To address these issues, the strategies proposed under agricultural development advocate the increase in the output of local food and agricultural exports. The Plan advocates that we actively pursue programs to develop potentially new and viable agricultural products for export. An incentive to encourage communities to produce more local food is the creation of an effective demand through the establishment of facilities such as a “Farmer’s Markets” in urban centers. It is also equally important to train our farmers to adopt modern appropriate technology such as hydroponics. Another strategy encourages assisting communities in the management of land and the growing and preservation of traditional food crops. In addition, we would also implement measures to enhance the value-added portion of our locally produced

goods and to promote the sales distribution of such goods.

The prevailing health situation in our country is such that there is a high incidence of malnutrition among our children and obesity among our adults. Our endeavor to achieve our Vision implies that our nation must become healthy in mind, body and spirit. To achieve this state of healthiness, it is essential that our people have adequate access to quality and nutritious food. This will be achieved by strengthening and implementing Food, Agriculture, and Nutrition policies. A part of such policies is to promote home gardening as a means of supplementing home food supply and to reinstate school lunch programs that serve more local food. The encouragement of a subsidized school lunch program where warranted will aim at promoting healthy nutritious diet and a state of well-being for all children attending school. Program activities as well as public awareness campaigns conducted by the Ministry of Health and other relevant government agencies will also be strengthened in order to encourage and instill in the minds of our people the importance of consuming nutritious local food. In addition the Convention on the Rights of a Child (CRC)

“Jepilpilin Ke Ejukaan”

Report will be reviewed and the relevant recommendations implemented.

The production of locally processed food and supplements has not yet been fully developed in our country. Locally processed food and supplements such as *nin* juice, breadfruit chips, coconut cooking oil, tuna jerky, preserved giant clams, fish, and breadfruit and so forth have the potential to generate supplemental income, food security, and foreign exchange earnings for our nation. To increase the output of locally processed food and supplements, the Plan advocates the establishment of requisite agricultural infrastructure to the Outer Islands. With the assistance of such facilities, we would be able to foster and promote the enhancement of agricultural surplus available for processing. Such facilities would further encourage small-scale agri-business and processing at the household level. The processes will be further enhanced through educating communities both in urban centers and in the Outer Islands in food processing techniques and technology. In order to assist small farmers and businesses, the merits of the “Grameen Bank”^{viii} model would be studied with a view to introducing such “banks” in our country.

The percentage of underutilized and idle land in terms of area and soil quality in our country is significant. There are well over 1,000 islets in our country that have the potential to increase the output of agricultural food crops and other produce if properly utilized. In order to revitalize idle

land, coconut plantations will be rehabilitated and replanted with coconuts and other commercially valuable trees and crops that could be utilized as raw materials for the production of Marshallese handicrafts and for other traditional, construction and industrial purposes. Traditional leaders and landowners will also be encouraged to urge local communities to grow more traditional food crops. Steps will be taken to allow farmers to burn their land. Furthermore, farmers and the general community will be assisted in eradicating pests and diseases that infest food crops.

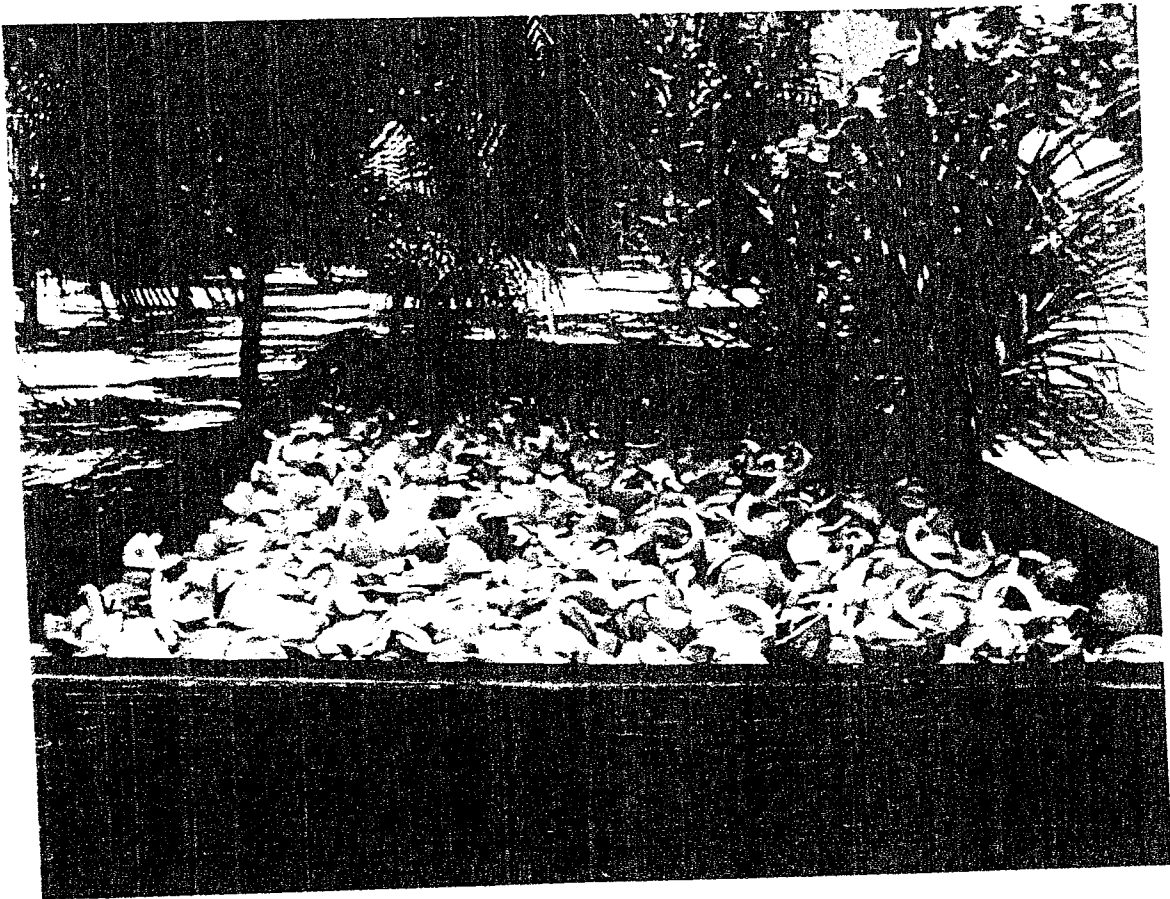
From time to time, our country faces natural disasters such as storm surges and typhoons. It is therefore important that we take into account mitigation measures to minimize the adverse impact of natural disasters to our agricultural crops and livestock. In this regard we will formulate a National Disaster Management Plan as soon as possible. The Plan advocates a strategy aimed at promoting a crop and livestock management system. This system will also facilitate early response to distressed crops and livestock. In addition, emergency response plans and training programs aimed at controlling and eradicating pest and diseases that infest food and commercial crops will be formulated and implemented.

We will also seriously review the future of copra that has always been the mainstay of the lives of our people. In particular we will review the functions of Tobolar as a copra processing Authority and explore the necessity of establishing a

“Jepilpilin Ke Ejukaan”

Coconut Authority or Cooperative as a Statutory Agency similar to the setups in a number of our neighboring countries. The foremost task of such Authority will be to:-

- boost copra production through an on-going coconut replanting program on the Outer Islands;
- help copra producers achieve better quality copra and increased production;
- establish and operate consolidation points where copra can be easily shipped so as to cut shipping turn-around time;
- establish improved transportation methods for copra, so that producers can more easily bring their product to the consolidation points; and
- establish and operate on-Island copra sales arrangement where the Coconut Authority acts as middleman.



Copra, by Courtesy of MIVA

The proposed establishment above will allow the producers to sell their product at their chosen time, rather than wait for the

visit of a ship. At the same time, quality control at the sales point will ensure that Tobolar will be able to purchase from the

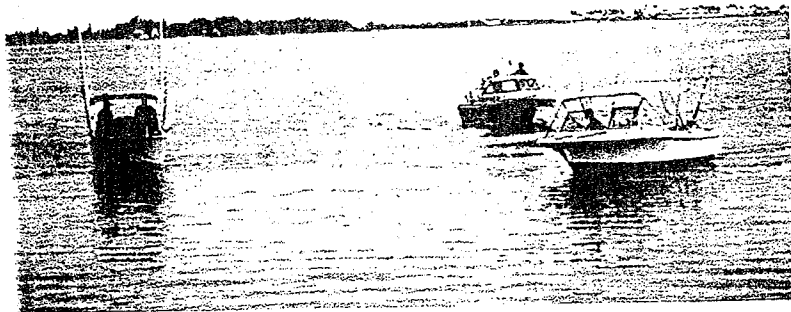
“Jepilpilin Ke Ejukaan”

Coconut Authority a guaranteed good quality copra, that will improve its value-added products. The Coconut Authority can also carryout research and development on other coconut by-products and provide competent technical advice to Government. We will also consider establishing a Coconut Price Stabilization Fund in order to handle the responsibility of administering the copra subsidy, which is currently administered by Tobolar, and to invite aid donors to contribute to this fund, in the same manner that the European Union contributes to similar funds in other Pacific countries.

b. Fisheries

With over two million square kilometers of ocean, our nation is blessed with a wide variety of marine resources. The value of the annual catch of Distant Water Fishing Nations (DWFNs) vessels within our

Exclusive Economic Zone (EEZ) is estimated to be around US\$50 million annually. To date however, the potential of the sector for the development of sustainable and more substantial income earning opportunities in our country has been under-utilized. As a strategy aimed at maximizing rents from the sector within sustainable limits, we will streamline and strengthen our Fishing Agreements in the course of negotiating with DWFNs. Other potential possibilities of developing or investing in additional fish processing infrastructure such as canneries based locally will be explored. With the influx of foreign fishing vessels and fisheries activities in our country, a strategy has been formulated to ensure that the Marshall Islands Marine Resources Authority's (MIMRA) technical capacity is strengthened in order for the Agency to effectively enforce, monitor, and control transshipment and all other fisheries activities.



Fishing Boats in Majuro Lagoon, by Courtesy of MIVA

“Jepilpilin Ke Ejukaan”

Currently, our country has been primarily generating foreign exchange earnings mostly in offshore fisheries. The income-generating opportunities in the near-shore fisheries are vast and have not been properly utilized. A strategy incorporated in the Plan therefore aims at sustainable utilization of our coastal fisheries resources in the areas of aquaculture and mari-culture as a means of attaining food security and income generation. Furthermore, another strategy addresses the need to conduct a study on the aquarium fish trade as an alternative source of income. Another approach addresses the establishment of Community Fishing Centers (CFC) and trust fund for fishers. It is, however, important to emphasize that our resources must be managed in a sustainable manner. Therefore the Plan incorporates a strategy for the formulation of a comprehensive coastal resource management plans and policies that will ensure that our precious resource stocks are not depleted or degraded. The development of sustainable energy sources for the use of local fishers is another strategy that the Plan has taken into account.

An alarming emerging trend in most fisheries worldwide is the near depletion of fisheries resources due to over-harvesting and unsustainable harvesting methods. In our country, marine resources are one of the main means of our sustenance and livelihood. To preserve and manage our valuable resource in a sustainable manner, for the present and future generations, we must develop sustainable resource management plans based on fisheries stock assessment and scientific evidence. The Plan has included a strategy, which aims to facilitate research and studies to conduct fisheries resource stock assessments. Understanding how much resource we have, and how much we could take from it will assist us to make better decisions in regard to the utilization of our resources. Strategies have also taken into account the regulation and conservation of particular marine resources such as seashells, live reef fish, and live corals. Another strategy that is equally important and which addresses the preservation and conservation of our marine resources is the establishment of marine conservation areas throughout our nation particularly in those atolls where resources are near depletion.



Sustainable Marine Life, by Courtesy of MIVA

Our earlier fisheries strategies included emphasis on the development of a local capability for large-scale commercial fisheries. However, we have now deviated from this strategy because of the difficulties and risks involved. As an alternative means of creating more employment opportunities in the fisheries industry, we will strengthen our Fisheries Nautical and Training Center (FNTC). First the institution will be reviewed with a view to establishing a clear development mission taking into account emerging trends in fisheries regionally and internationally. In addition, we will explore the possibility of increasing employment opportunities for the graduates of FNTC in our country's Ship Registry operations. We

will also explore potential aquaculture activities by utilizing our existing research units within the College of the Marshall Islands (CMI) including those services offered by regional and international organizations to carry out feasibility and viability studies that promote and enhance the diversification of employment and income opportunities for our people.

Total exports from our fisheries sector have been declining over the years. This is mainly due to the closure of Ting Hong Fishing Company. The company was involved in the management and operation of Majuro Fish Base and exported fresh-chilled tuna to overseas markets. To address this issue, the Plan has taken into account strategies aimed at enhancing the capacity of the fisheries sector to increase

“Jepilpilin Ke Ejukaan”

output, processing, trade and exportation of marine resources within sustainable limits. Therefore, a strategy has been formulated to address the promotion of Private Sector activities for both offshore and inshore fishing. Another strategy is aimed at strengthening relationships with regional and international multilateral fisheries organizations with a view to maximizing benefits. These benefits may include but are not limited to funding and technical assistances to carry out scientific research, surveys and other marine related projects and programs. Regional organizations such as Forum Secretariat, South Pacific Regional Environment Program (SPREP), South Pacific Applied Geosciences Commission (SOPAC), and Forum Fisheries Agency (FFA), offer various technical assistances. The challenge for us is that we make the best use of the services provided by these organizations to make payment of our fees worth the while and especially to enhance the development of our fisheries sector.

c. Tourism

The number of tourists in our country has been slowly increasing over the years. However, our tourist industry is still in its infancy. There is considerable potential to develop our tourism industry, and therefore through its growth and development a significant contribution can be made towards the development of our overall economy. An essential condition for the growth of this

industry is increasing the reliability and frequency of air services both domestically and internationally. Together with that, we will also implement an aggressive marketing program that will promote our country as a major venue for eco-tourism. Other strategies will be implemented for the establishment of eco-tourism infrastructure and facilities in the Outer Islands. The passing of the Land Registration Act recently would assist in obtaining lands for developing tourism resorts. As a further strategy, steps will be taken for the promotion of annual cultural events aimed at reviving traditional songs, skills, crafts, chants, folklore and food preparation.

Pacific Island countries offer similar attractions and enticements such as clean and pristine beaches, lots of sunshine and reliable infrastructures to promote tourism in their respective countries. In the tourism industry, the emerging strategy to attract more tourists is the promotion of one's culture and traditions as a means of offering something that is unique and special. The Plan has taken into account this trend through strategies aimed at-

- the development of niche markets to attract specific tourist groups;
- identification, protection, and promotion of legendary and historical sites;
- strengthening Alele institution with a view to reviving and promoting cultural activities and incorporating our culture and traditions in school curricula; and
- the establishment of sanctuaries and conservation sites, as a measure to minimize negative impact from tourism.

“Jepilpilin Ke Ejukaan”

Since a clean and beautiful country attracts tourists, we will attempt to keep our atolls and our environment particularly in the Outer Islands in its pristine conditions. Although Majuro Atoll has become cleaner over the years, we still see a lot of garbage and debris especially in coastal areas where there are landfills or dump sites. The Plan incorporates strategies aimed at facilitating cleanliness and at the same time instilling in the minds of our people the importance of collaboration to keep our atolls clean and beautiful. We will implement strategies aimed at:-

- minimizing the use of non-biodegradable products;
- strengthening and aggressively enforcing laws and regulations for minimizing littering and pollution;
- strengthening and promoting recycling programs and public awareness programs aimed at community education;
- facilitating activities, which are aimed at landscaping and beautifying our country through the involvement of Traditional leaders and landowners.

As we address and improve the situation facing the development and growth of our tourism industry, we will also focus on enhancing the industry's capacity to cater to the anticipated growth in the number of tourists visiting our country. The strategies

contained in the Plan therefore aim to increase the number of rooms and to develop modern but appropriate tourism infrastructure particularly in the Outer Islands. The Outer Islands are seen as the future opportunity for the development of our economy. Furthermore, steps will be taken to improve the access to credit and to assist domestic private investment. Another strategy aims at enhancing safety standards for all tourist-related activities.



Rich Marine Life of the Marshall Islands, A Tourist Attraction, by Courtesy of MIVA

d. Manufacturing

Manufacturing is one area within our productive sector that is well positioned to stimulate economic growth. To effectively

“Jepilpin Ke Ejukaan”

harness the potential of this sub-sector, we need to:-

- identify an overall strategy for the sector;
- expand our productive capacity in manufacturing tradable goods for domestic consumption and for export earning; and
- be innovative and aggressive but prudent in new product development.

Efficiency, in allocation of resources, and effectiveness, from a strategic planning perspective, shall be our *meto*, guiding us to full realization of our **Vision 2018**, particularly where it concerns harnessing the full potential of this sub-sector.

i. Overall Strategy

Our overall strategy to promote the development of the Private Sector as a whole has been presented in the section on “Creating a Favorable Investment Climate”. That overall strategy is also intended as a means of attracting private investment including foreign direct investment into our manufacturing sector. Although there is scope for the development of agro-based and fisheries-based manufacturing activities in our country, our past experience shows that attracting investment into such activities is not easy. Numerous studies and reports as well as our experience has shown that investment incentives are not the crucial determinant of the level of such investment. There are disadvantages, which we are facing and that need to be overcome. These

include the smallness of our domestic market, the low level of skills among our workforce and the remoteness of our country from major world markets. Therefore we will develop an integrated approach to encourage the growth of our manufacturing sector through the adoption of a number of measures including the enhancement of the skills of our workforce and identifying niche products that are viable in our context. In this regard we will develop a detailed set of policies and programs taking into account the need for the above type of measures as well as the potential role that IT can play in this context as well as the preferential treatment that our exports could receive under the Compact of free Association, the ACP/EU Protocol and the SPARTECA.

ii. Expansion of Productive Capacity

We envision expanding our productive capacity by identifying potential comparative advantages in manufacturing. Realizing that our resource base is relatively small, we shall strive to be innovative and prudent in expanding the productive capacity of our manufacturing industry. Where we lack in quantity we shall aim to compensate with quality. Realizing that the tariff concession under the Compact of Free Association gives RMI product a competitive edge in the particular market, we will work to ensure that this treatment is continued under the new Compact. For manufacturing operations where local sources cannot meet capital requirement, we will enter into

“Jepilpilin Ke Ejukaan”

partnership or joint venture with reputable foreign companies.

iii. Product Development

New and existing product development and new market penetration shall be our goal. The Trade and Investment Division within the Ministry of Resources and Development will be

institutionally strengthened to enable the implementation of an effective program of developing and marketing both new and existing products. Information technology is one area we endeavor to engage in actively. Where feasible, we will enter into joint ventures with foreign IT companies so as to develop our own IT industry.



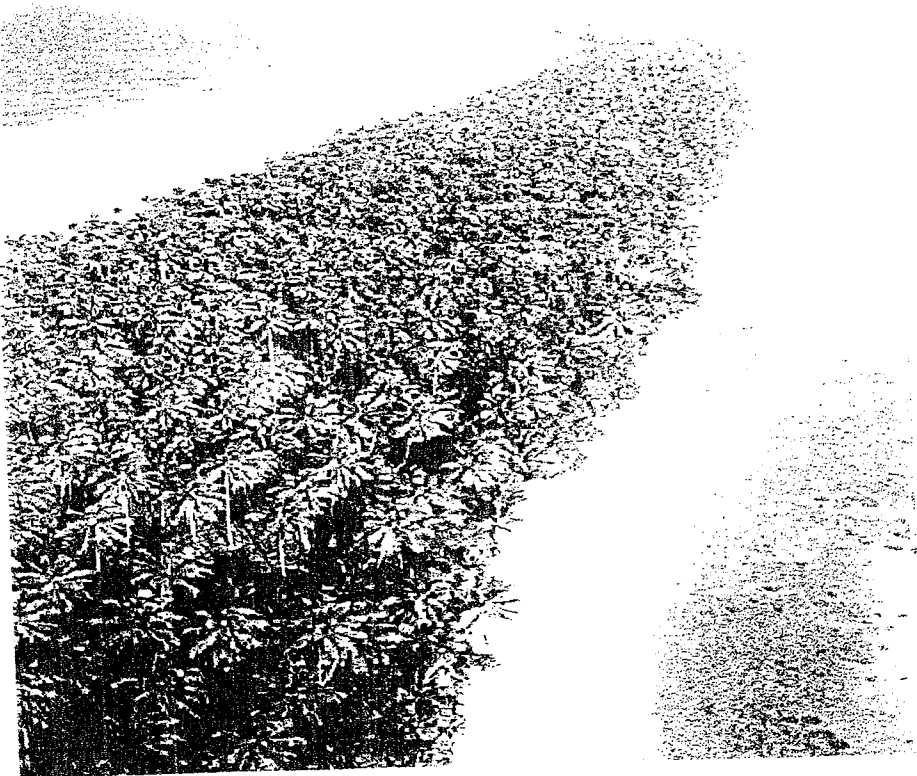
Quality Product for Export, Marshall Islands Handicrafts, by Courtesy of MIVA

IV. Outer Island Development

a. Introduction

Our recent Second National Economic and Social Summit highlighted Outer Island Development as one of the key strategies for our sustainable and self-reliant development in the next 15 years. Our National Vision implies that we should, among other things, strive towards achieving greater socio-economic self-reliance. It

implies further that we must become a productive nation, we should respect our culture and traditions and at the same time ensure harmony between development and environmental sustainability. Looking at these goals more closely we see that Outer Island Development will contribute significantly to their achievement.



Potential for Development on the Outer Islands, part of Jaluit Atoll, by Courtesy of MIVA

b. The Rationale for Outer Island Development

The rationale for Outer Island Development would best be understood by looking briefly at the major developments in our economy over the past forty years. Most notably, we have become increasingly dependent on foreign economic assistance, imports and skills. This has brought about a remarkable transformation in our life styles. Firstly, most of our natural resources have been diverted away from their traditional use to fit the new economic structure that has emerged over the past four decades. Over these years our labor force has shifted largely from subsistence agriculture and fishing towards more specialized types of employment in a cash economy where almost all the needed goods are bought in the market. In 1958, over three fourths of our labor force was employed in agriculture and fishing. However, three decades later only 21 percent of the labor force was employed in that primary sector. In our case, the goods that we buy in exchange for the wages and salaries we earn, are not produced domestically but are imported from overseas.

Secondly, we have become heavily dependent on foreign economic assistance. Without foreign economic assistance our economy, and along with it, our living standards will greatly affected. We are able to generate a huge import bill, which in 1999 was \$61.0 million, without earning enough

foreign exchange to pay for it. This is so only because of the availability of such assistance. The structural change undergone by our economy did not result in any notable growth in our export earnings either from the sale of goods overseas or from services such as tourism. Instead of being engaged in such activities, our labor force and entrepreneurship were engaged in the production of services, in the Public Sector and in non export earning services in the Private Sector as explained in the section above on *“Improving Resource Allocation”*.

A third significant change that is relevant for our present discussion is that in addition to those employed in the newly emerged sectors in our economy, which came to be centered in Majuro and Ebeye, a large proportion of our population has moved to those two urban centers. In 1958, only one third of our total population lived in Ebeye and Majuro but by 1988 the situation had completely reversed with only one third living in the Outer Islands. This has resulted in a striking imbalance in the use of our economic resources: while the lands and marine resources in the Outer Islands have come to be underutilized, a substantial proportion of our workforce live in urban areas, unemployed and living on the resources of those who have jobs. In 1999 our unemployment rate was 30.5 percent, which is quite high by any standard.

"Jepilpilin Ke Ejukaan"

Fourthly, while the above indicates a fundamental problem in our economy from the point of view of production, major problems have developed over these years in the consumption side as well. One of these problems relates to our dietary habits. As a result of shifting our consumption pattern in favor of imported fatty foods, most of our people have come to suffer from many life style diseases such as diabetes and hypertension. The problems have become worse because of our sedentary lives with inadequate physical exercise. Many of our adults suffer from obesity. In contrast, many of our young children suffer from malnutrition due perhaps not so much to the lack of food but to their heavy dependence on non-nutritious foods and soft drinks. Apart from the adverse consequences of our health status, the financial drain resulting from this situation on our Government budget has been discussed earlier.

Fifthly, as a result of changes that have occurred in our lifestyles, there has also been a fundamental change in our attitudes. Firstly, as discussed previously, a sense of dependence has come to be deeply entrenched in our minds. Secondly, there has been an erosion of respect for our culture and traditions. It is true, of course, that both culture and tradition are dynamic: as everything else in the world they too change with the times. However, sustainable development in any society can be ensured only if the changes take place in a positive manner, so that the essence of the culture

and tradition are retained at all times. The preservation of the identity of any nation depends on the preservation of culture and tradition of that nation.

The respect and justice for all individuals, respect for leadership, elders and for knowledge, the willingness to share and care and to care for the disadvantaged, rational use of resources to ensure sustainability, maintaining social discipline and reciprocity in transactions are some of the basic characteristics of our traditions and culture. Before the major changes of the past four decades, our culture and traditions ensured that our economy and society were sustainable. Now we have reached a point where our economy and society has changed significantly but our sustainability is not assured. In reinstating sustainability time has come for us to see how our culture and traditions can assist us.

The above discussion shows that in order to achieve our National Vision, we need to:-

- reallocate our resources in order to promote the production of foreign exchange earning goods and services;
- change our consumption pattern towards a more nutritious diet;
- induce our people to become more active physically;
- put our idle resources both natural and human into greater productive use;
- divert our idle population from urban areas to the rural areas; and
- bring about a fundamental change in our attitudes to favor a greater sense of self-reliance and in favor of respecting our national identity, culture and traditions.

We believe that through the adoption of Outer Island Development as a key component of our sustainable development strategy, we would be able to achieve these results. **Vision 2018** has identified several key areas of focus with regard to the formulation of strategies for Outer Island Development. These are:-

- devolution and deconcentration of political and administrative functions;
- infrastructure and maintenance development;
- development of productive resources; and
- human resource development.

Strategies in each of these areas have been discussed earlier in this Chapter under different headings but in over all terms, as they pertain to our country as a whole. In the following discussion the relevant strategies are discussed as they relate specifically to Outer Island Development.

c. Outer Island Development Strategies

It is said that a good government is a government that stays close to its people. One way in which a government can stay close to its people is by bringing itself closer to the people. This means there will be a continuing partnership between the government and the people through a variety of mechanisms such as consultations in regard to proposed legislation, policies,

programs and projects that affect the citizens. While doing so, it is also important to provide the maximum possible opportunity to make decisions in relations to matters that concern their own localities and which do not have major ramifications for the rest of the nation. In this regard the Plan proposes that over the next fifteen years steps will be taken to gradually devolve legislative authority to Local Councils in regard to matters that concern the development of each Atoll.

At the same time, the Plan also proposes that strategies be implemented for the purpose of enhancing both the financial and administrative capacity of each Atoll to manage governance within its area of authority. This will be done initially by adopting training programs and other measures to enhance the administrative and accounting capacity of each Local Government Council, particularly those that need to be strengthened. Measures will also be adopted to strengthen the financial viability of the respective Local Governments, should they need such assistance. In this regard it is important to ensure that the taxes imposed by the Local Councils and those of the National Government are complementary and not competitive. Reference was made earlier to the Tax review that will be undertaken and which will take this consideration into account. Eventually a Trust fund or several such funds will be established to financially assist those Local Councils that are in need.

"Jepilpilin Ke Ejukaan"

In addition to devolution of functions as discussed above, efforts will be made to deconcentrate the activities of the National Government by developing viable regional sub-centers at suitably central locations such as Wotje and Jaluit. Already high schools and infrastructure facilities such as power plants are being established in these locations. Because of the small populations in the Outer Islands the development of such sub-centers will be done slowly and gradually while ensuring that each sub-center will serve as a hub for several of the neighboring Atolls. It has already been mentioned elsewhere in this Chapter that steps will be taken to ensure that Outer Island communities will be provided opportunities to review legislation proposed in the Nitijela. Initially this will be done by providing an opportunity for Local Governments to review such Bills in consultation with their people.

Plan strategies in regard to infrastructure development in the Outer Islands have already been presented in an earlier section in this Chapter. These strategies aim at several objectives that would ultimately lead to the achievement of our National Vision. Firstly, they aim at facilitating greater productive use of our natural and human resources by providing the needed and reliable transport, energy, and communication services. Secondly, they aim at improving the quality of life of the Outer Island population so that they need not necessarily reside in the urban centers to enjoy modern amenities. Thirdly, better

and more affordable transport facilities would enable more frequent commuting by Outer Island communities between the urban centers and their homes so that they need not permanently live in the urban centers.

The strategies identified in the Plan and presented earlier, for improving Outer Islands infrastructure relate to several key areas. One is sea, air and land transportation. The specific projects needed for improvement will be identified as soon as the report of the ADB technical assistance funded team of experts have formulated their report. The provision of better access to energy is another area in which strategies have been identified. There are ongoing efforts to provide diesel-generated electricity in the sub-centers such as Wotje and Jaluit. These efforts will be continued based on future demand and viability. In the meantime, an intensive effort will be made to facilitate more use of renewable energy in all the Outer Islands in partnership with all strata of our society. Strategies have been identified to provide better access to clean water through assistance for the installation of solar power operated reverse osmosis systems as well as for rainwater catchments and ground wells. Strategies for the improvement of communications have been discussed earlier.

The third area of focus in Outer Island Development is the development of productive resources. Strategies identified for this general objective have been discussed previously under Agriculture.

Fisheries, Tourism and Manufacturing. In the case of agriculture strategies are identified for increasing food production both for domestic consumption and for export. Achievement of food security is one of the key objectives. Outer Islands offer the best opportunities for this purpose because there is not much arable land area left in Majuro and Ebeye. An important challenge in this connection is how to make agriculture an attractive occupation in view of the rising expectations among the young labor force to find paid jobs in the urban centers. Problems encountered at present are numerous. They relate to land ownership, availability labor, capital and know-how, availability of transport, marketing outlets and processing facilities. Strategies have been developed to deal with these impediments in order to ensure an adequate effective demand for domestic agricultural products and to ensure higher cash and real incomes from agriculture. These are discussed in the section on Agriculture above.

Fisheries are another area, which has potential for increased production in the Outer Islands. The objective here is to enhance income opportunities in coastal fisheries for which several strategies have been identified including establishment of fish centers in the Atolls and developing sustainable energy sources for the use of fishermen. Major projects are already under way in certain Outer Atolls with assistance from Japan. Other strategies include those aimed at developing mari-culture in the Outer Islands, especially pearl and giant

clam farming which seem to have bright prospects for fetching high-income levels. Strategies will also be implemented to ensure sustainability of marine resources in the Outer Islands. Strategies in regard to fisheries development in the Outer Islands are discussed in more detail under productive sectors.

There is potential for the development of tourism in the Outer Islands. This industry is still at a very low stage of development in our country due to a number of constraints such as remoteness from the rest of the world and the associated high cost of travel as well as the lack of a sufficiently developed tourism-infrastructure. The latter includes such things as hotels and resorts, activities for tourists, well trained hospitality industry workers and medical, transport and communication facilities. However, there seems to be a developing interest in diving in our country, which has become clear over the past few years. Strategies for developing tourism in the Outer Islands in a sustainable manner are discussed in the section on Tourism.

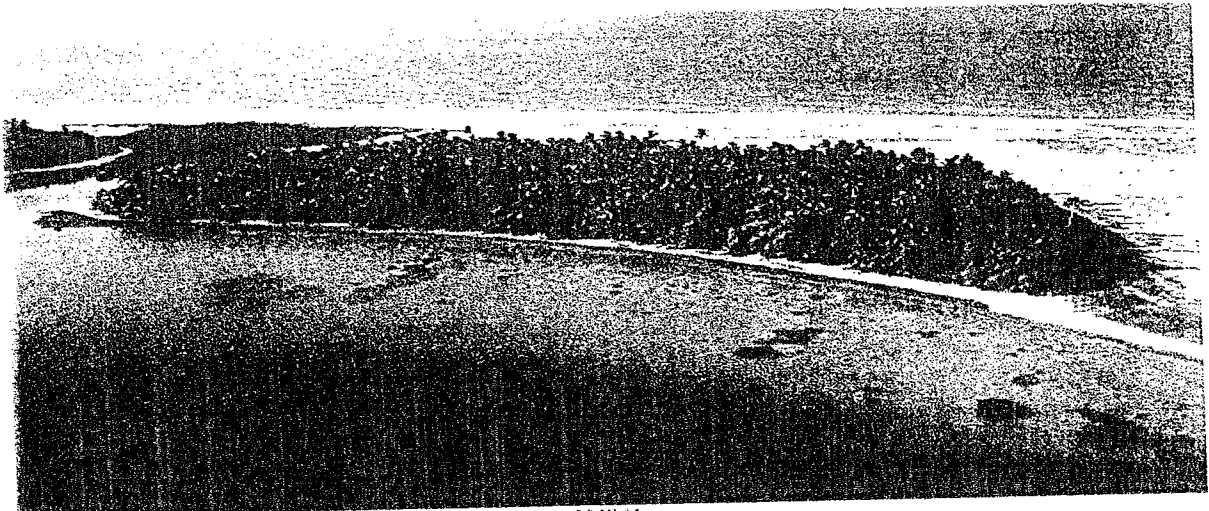
The scope for developing manufacturing in our country is limited. However, there are opportunities to develop manufacturing in the form of agro-based and fisheries based processing activities. There is also scope for greater promotion of our handicrafts. In regard to all these activities the Outer Islands have to be closely involved because of the need to produce a surplus agricultural or fisheries output for processing. There is also the need to

“Jepilpilin Ke Ejukaan”

produce a higher level of raw material for handicrafts as the output of such products increase. The strategies identified are presented under the section on Manufacturing.

In addition to the above, the Plan present strategies aimed at enhancing education and skills levels of the Outer Island communities. It is important that while providing greater economic opportunities through better infrastructure services, and production possibilities in the real sector, it is

equally important for our people in the Outer Islands to have the capacity to make use of such opportunities. That will come only from empowering them with greater education and skill levels. The strategies aimed at achieving the objective are discussed under Human Resources Development Section in this Chapter. In addition, the Plan presents a number of strategies aimed at changing the attitudes of our people and enhancing their respect for culture and traditions. Those are discussed under sections on Education and Culture and Tradition in this chapter.



A Beautiful Small Island on Jaluit, Atoll by Courtesy of MIVA

V. Science and Technology

We are living in the knowledge era and we want our nation to benefit from the enormous advance in Science and Technology. The revolution in information technology will continue to be the most important technological advance for the next decade in which people have anytime/anywhere access to voice or video communications and the Internet or other networked computer systems. One of our priorities over the 2 years will be to develop a National Strategy on IT^{viii} to enable us avail immense opportunities from the continued advance of information technology in a coordinated and cost-effective manner. We had also impressed under the section on Education above, on the imperative need to establish computer laboratories in all our schools as a first step in adapting the mindsets of our young generation towards IT.

But being computer literate is not enough. We need to urgently institute a comprehensive Program on Science and Technology that addresses not only our education system overall but also the level of skills and competency in our Public and Private Sectors right now. Moreover, we must not overlook the imperative contribution by Science and Technology in the creation of our sustainable economy for the future, which is especially important when producing exports to balance our

existing Balance of Trade. In this knowledge-based world economy, world trade is increasingly centered on information technology related products both in goods and services and we should strive to capture a portion of this market. This is obviously a potential employment creation activity for our people by training them in information technology. Our ability to earn a fair return from the harvesting of our marine and fisheries resources by foreign nations is highly dependent on the scientific and technological competency of our nation right now. This certainly points to the urgent need to have onsite scientific and technological expertise.

Most of the decisions we make for instance are related either directly or indirectly to science. In our own reformed planning approach in the formulation of our **Vision 2018** we had basically followed a scientific methodology where grassroots analysis was a major component. On the same token, our aspiration to develop potential export of goods and services will depend largely on our national capacity in Science and Technology. Likewise, our Government policies require the best scientific advice in order to fully appreciate the impact of these decisions on the lives of our people. The Cabinet or any Senior Executive in Government or the Private Sector must be able to explain the rationale

“Jepilpilin Ke Ejukaan”

behind any decisions should any member of our society question such a decision. This rationality is best explained through scientific approach towards analyzing the issues under consideration and why such decision was considered as the best in the interest of our nation.

In order therefore for us to make the best out of the existing global knowledge-based economy, it is important that we seriously invest more in Research and Development activities and to access the best scientific and technological advice we could possibly have in the very immediate future. The capacity and capability of our research programs in the “origins” of our nation – environment, agriculture and fisheries – are far from being adequate and thus points to the urgent need to augment this situation. In addition, Science brings about decisions that are bipartisan and is a major contributing factor to effective politics based solely on rational and effective thinking in the interest of our nation overall. Within the period of our **Vision 2018** therefore, we will focus our effort on two equally important strategies in the area of Science and Technology.

First, we will urgently take stock of the scientific and technological skills available in our country at this point in time. We will then rank those areas in our Government that requires competent scientific and technological skills. In the area of infrastructure for instance, we need qualified civil engineers, water and sanitation engineers. Likewise in our

Environmental Protection Authority (EPA) we need a range of competent scientists in climate change, health science, Environmental Impact Assessment (EIA), and many more. There is also our inherent need for numerous science and technology teachers and health personnel. We will also need qualified scientists specializing in the areas of agriculture, fisheries, tourism and manufacturing. At the National Government level, our Cabinet and Senior Administrators and Technocrats, must have consistent access to the best scientific advice. If it is a need, we will urgently establish opportunities for our existing scientists to undergo further education and training overseas, while in the meantime we will continue to recruit overseas expertise. We will also explore the potentials of USAKA through close consultation with the United States, as a source for providing our people the technical know-how the way of on-the-job-training in the areas of Science and Technology.

In these early years of the New Millennium, it is extremely important that our leaders are fully aware of what is happening in science policy today throughout the world. The responsibility is particularly on our political leaders who are the main “actors” in steering our nation forward amidst global advance in the area of Science and Technology. We believe that the best we could do for now is to explore the merits of having a National Science and Technology Board as the major national authority in the dispensing of scientific advice to our Government. For us in the Marshall Islands,

“Jepilpin Ke Ejukaan”

among many other factors, we want to benefit from:-

- the reform in science and technology education, detailed analysis of energy options;
- a practical look at electricity regulation;
- renewed approaches to environmental management and regulation;
- making the health program effective at sustainable costs; and
- how we could develop and facilitate Research and Development (R&D) of our fisheries and marine resources in a sustainable manner as a means to obtain our fair share from such resources.

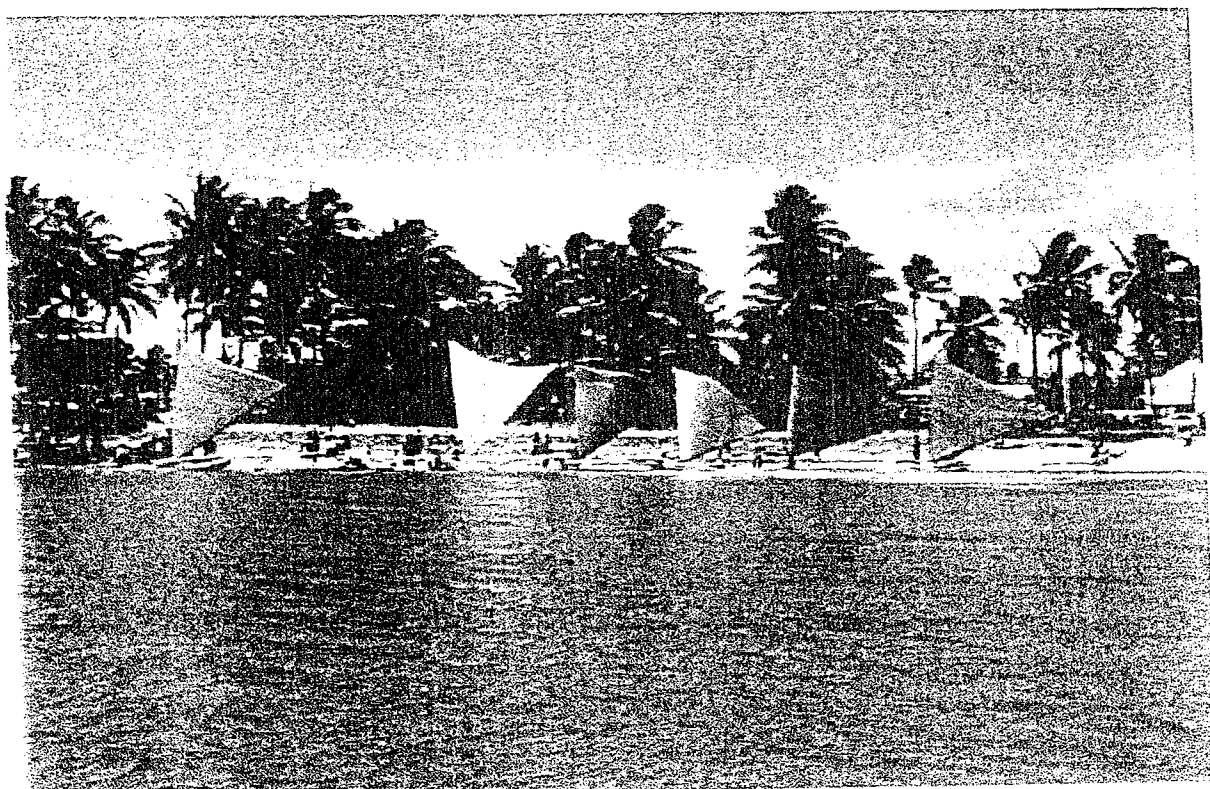
Our second important strategy for Science and Technology will be education. We want competent science and technology

teachers in all our schools. Global employment trend shows that the number of people employed in industries either producing or intensive users of information technology, is expected to double over the next decade. Our challenge is to institute in our education curricula at all levels a strong Science and Technology imperative, not only to cope with global employment trend but more so, to enhance our own sustainable development programs. Overall we need to have a mastery of the basics of reading, writing, and mathematics, and be fluent in the grammar of information, literate in technology. We need to urgently produce trained scientists and engineers for the numerous ranges of our existing jobs and also increase the number of people who are technologically literate across all occupations. A solution rests in our ability to better educate our children to prepare them for the study of science and engineering in college and beyond.



A Fishing Trip out of Majuro, by Courtesy of MIVA

VI. Culture and Traditions



Traditional Canoe Racing, by Courtesy of MIVA

The underlying base of our **Vision 2018** is centered on the fundamental paradigm of sustainable development. This concept is not new to us at all, for it has been a major yardstick of our culture and traditions. We have always lived in harmony with our surrounding environment and despite the poor quality of our atoll soils, we were able to harness its range of food and tree crops to sustain our livelihoods. Our lagoons and oceans were rich in marine and fisheries resources. The need for conservation has always been an inherent feature of our traditional skills when come to the harvesting of our agricultural and

fisheries resources. We knew when to stop fishing in any particular section of our lagoons, and we also know what “taro” to harvest now and what to save for rainy days.

But when we were exposed to the culture of “money,” we then took a “hundred-eighty degrees” turn, and got caught by the greed for profit leaving behind important elements of our traditional life that once were the basis for our sustainability, leading us to become aliens in our own God-given land. And right now, at this very stage of our nation building, we are reinventing the wheel of sustainable development as if it is totally a new paradigm to us. The fact is, it’s not.

“Jepilpilin Ke Ejukaan”

Our cultural and traditional practices had always provided us the means to live sustainable livelihoods. Transparency and accountability, and all other associated elements of good governance, were all forms of our culture provided within our social safety nets. It is our culture and language that make us known as Marshallese in this world and we must be proud of this simple fact. Whatever we would do in terms of our culture, the message to us all is that it is not too late to recapture the sustainability that was provided by our culture and traditions.

Let us revisit our culture and traditions and foster serious dialogue among our traditional leaders, our political and business leaders, the church and other leaders, and our atoll people, and map out a chart for the reinvigoration of our culture. Indeed we acknowledge that culture, having been a fundamental origin of socio-economic transformation throughout the world, is not static, and that it has always evolved, but, nonetheless, we know we have certain cultural values and traditional practices that remain useful yardsticks for now and into the future. We must reinforce peace and harmony among our atoll communities and society as a whole. In order to do this we need to adapt our Constitution and all the laws we copied from overseas to marry closely with our culture and traditions. And of course, a powerful force in the revival of our culture and traditions is education.

It is not going to be easy, but certainly it is not impossible. Of paramount importance in adapting this imposed legal framework, is the need to refine the Universal Bill of Rights in our Constitution so that every single citizen of our country fully understands his or her individual freedom and fundamental human rights and how to exercise them in total respect. Our problem has been mainly due to our inability to fully comprehend our freedom and rights granted under our laws, and that as a result many of us exercise these rights in ignorance, which most of the time create conflict in our society. As early as possible therefore, we must translate our Constitution and all our other laws into the Marshallese language. In addition, the public hearings conducted by the *Nitijela* on new legislation is not enough. Instead, we must allow the opportunity to all cross sections of our society to vet any new legislation and we will do this by circulating draft legislation to all our Atoll Communities, the Private Sector and Civil Society for review after the first reading.

Equally important is the need for a National Policy on Culture. At this point in time we have no formal policy on culture to provide guidance to our Government. One of our priorities over the next 12 months will be the establishment of a Task Force on Culture to formulate a National Cultural Policy through nationwide consultation involving all strata of our society. A detail Terms of Reference to be worked out should include among others, the following:-

“Jepilpilin Ke Ejukaan”

- foster close dialogue among our Traditional Leaders and people enabling each other to better understand their respective responsibilities within our social hierarchical system; and
- establishing an organizational structure to be responsible for the implementation of our National Policy and designate a Ministry to execute this important mandate.

Overall we need to prepare our young generation to cope with the global trends resulting in a “clash of civilizations” brought about by our foreign relations, and cultural differences in economic planning. To do this

we must incorporate culture and traditions into our education system at the earliest. In particular, our children be educated about Marshallese culture, language, and arts starting from kindergarten. We will also establish an Institute of Marshallese studies whose main task would be to undertake in-depth research into the cultural and traditional practices of the Marshall Islands and develop options for the positive contribution of culture and traditions towards the achievements of our development aspirations. We will also then strengthen the Alele Museum and Library by expanding its resources on the culture of the Marshall Islands.



Traditional Fishing Trap by Courtesy of MIVA

Chapter 5

Implementation

I. Participation of All Stakeholders

The extent to which our National Vision is achieved depends, at the end of the day, on the totality of the efforts made towards that end by all stakeholders in our society as shown in Diagram A below. These stakeholders are the National Government, the Local Governments, the Private Sector, the NGOs and the Civil Society including the households and the individuals. The role of each one of these stakeholders is clear from the strategies presented in Chapter 4. They would become clearer in the detailed action plans of the Ministries and the Statutory Agencies that will be developed in the next six months. The role of each stakeholder will be spelled out clearly these strategies get implemented. This Chapter is therefore dedicated to a discussion of the implementation aspect of **Vision 2018**.

In regard to implementation, the key role is played by the National Government. While all other stakeholders are players in the system that will react to the opportunities and constraints facing them, the National Government is the provider of opportunities, the facilitator who will lay down the legal and economic framework within which the others play their role. In short, while the behavior of all stakeholders has to be orchestrated for

the purpose of achieving our National Vision, the national Government is the Conductor who will do that orchestration. Hence this Chapter presents the procedures and mechanisms that will be followed within the National Government for the implementation of the Plan.

In the past, good development plans were written but there was much to be desired in terms of their implementation. From the past fifteen years of experience as a nation we have been able to learn much about our weaknesses and strengths in regard to plan implementation and it is important that we apply those lessons of experience to good use so that we will be assured of better results in our nation building efforts in the next fifteen years. Moreover, this time around our Strategic Development Plan in the form of our **Vision 2018** is the end product of a consultative process in which representatives of all strata of our society as well as Ministerial Secretaries and Heads of Statutory Agencies have had an opportunity to participate actively. Hence, our **Vision 2018** is based on a better sense of ownership by our people and therefore should receive a greater degree of national support in its implementation than previous Plans.

DIAGRAM A: IMPLEMENTATION OF VISION 2018

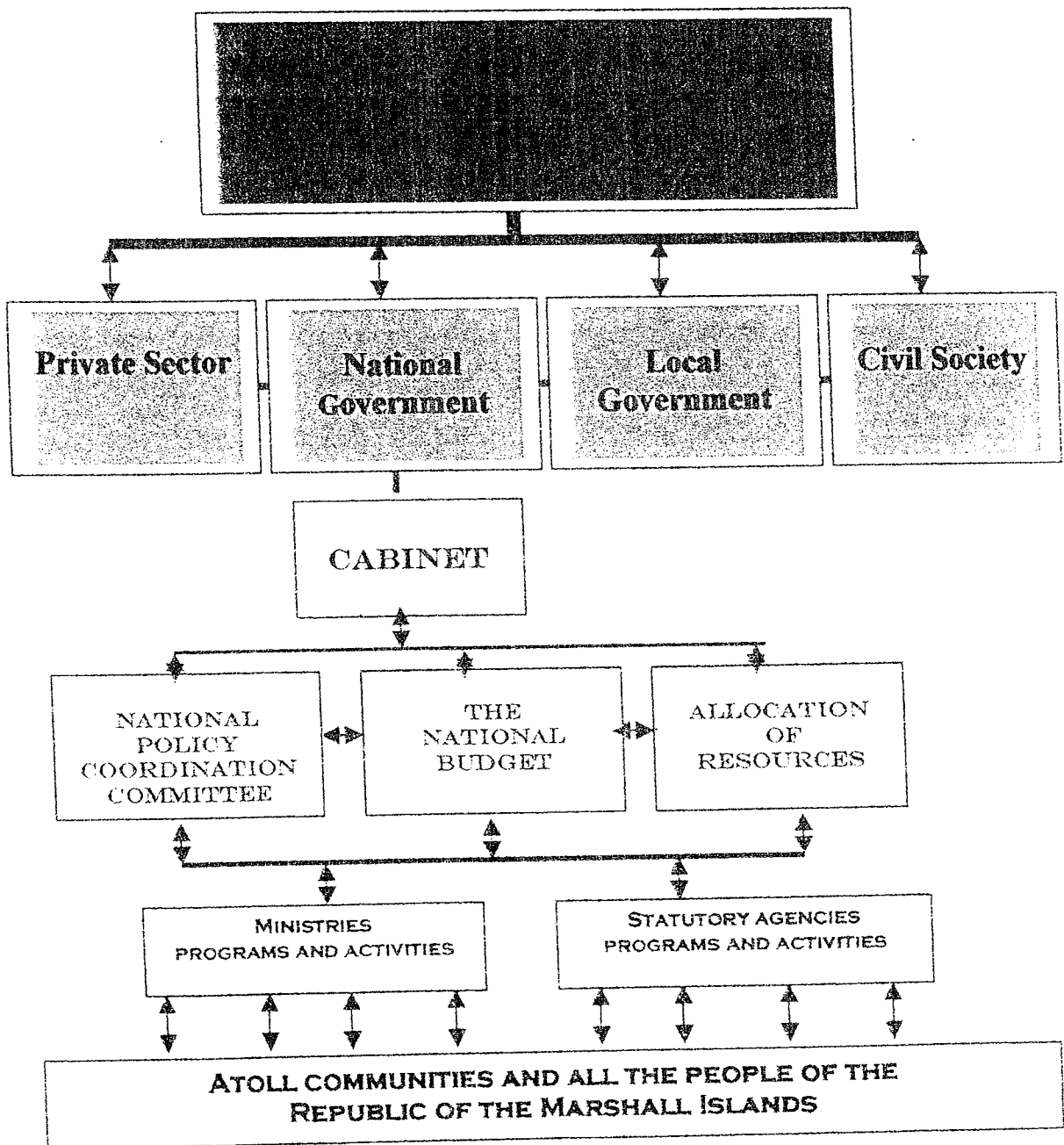
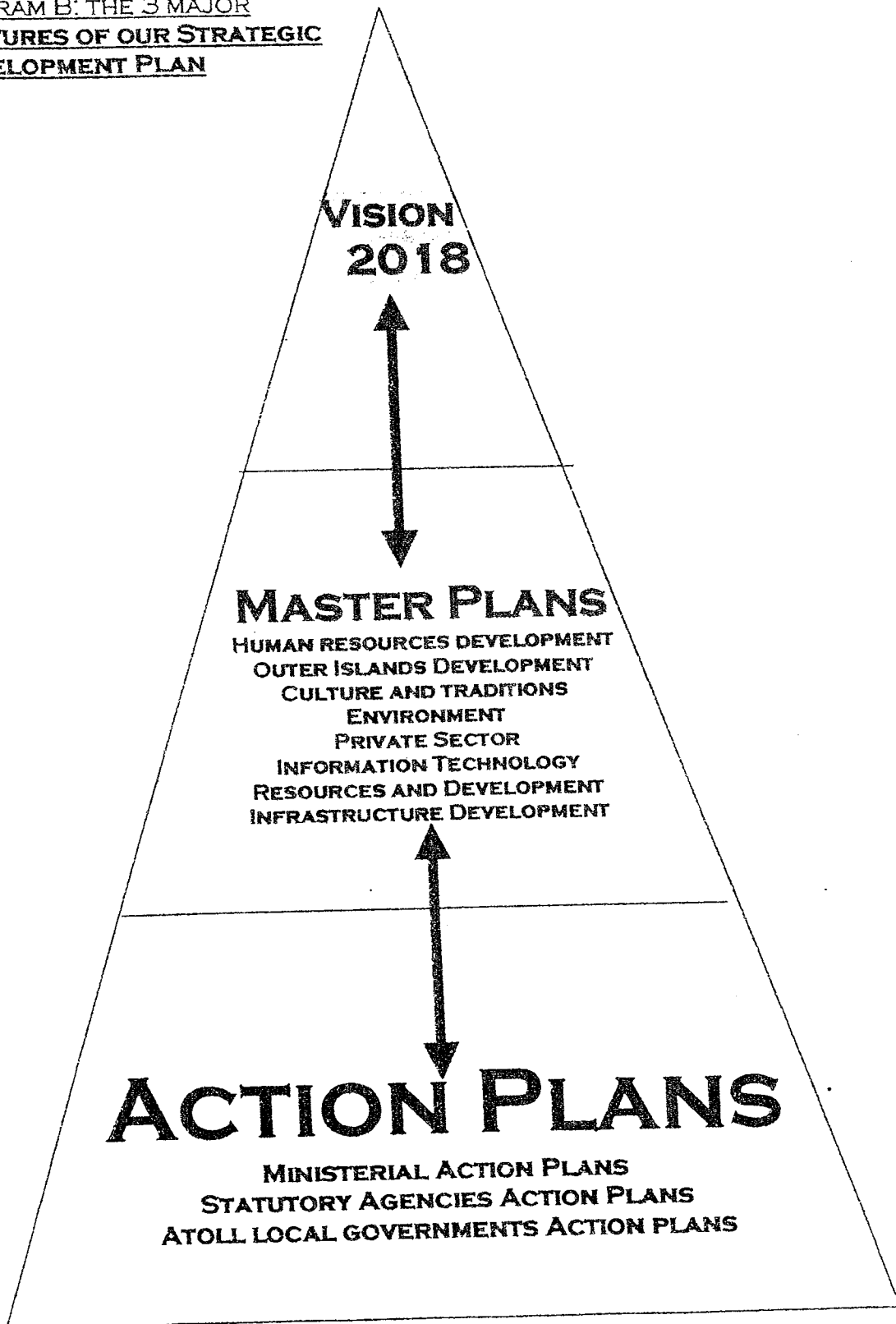


DIAGRAM B: THE 3 MAJOR
FEATURES OF OUR STRATEGIC
DEVELOPMENT PLAN



II. Implementation

a. Master Plans and Action Plans

Diagram B above basically illustrates where we are going from here now that we have formulated our **Vision 2018**. The latter as explained earlier is the Broad Development Framework that will guide the strategic development of our nation for the next 15 years. Immediately following the endorsement of our **Vision 2018** by the Nitijela, the next important tasks shall be the formulation of MASTER PLANS and Strategic Action Plans for Ministries, Statutory Agencies and Atoll Local Governments. In order to reflect on the expressed development priorities resulting from our Second National Economic and Social Summit (NESS2), we would consider develop Master Plans on the following major Policy Sectors:-

- **Human Resources Development;**
- **Outer Islands Development;**
- **Culture and Traditions;**
- **Environment;**
- **Information Technology;**
- **Private Sector;**
- **Infrastructure Development;**
- **Resources and Development; and**
- **Tourism.**

The Master Plans will describe in detail policy decisions under each sector, priority programs and projects together with the costing, and an indication of the institutional implementation framework. In addition to the Master Plans, we will also concurrently develop Strategic Action Plans for all Ministries, Statutory Agencies and Atoll Local Governments. These Strategic Plans will describe the detail responsibilities of each agency, whether a Ministry, Statutory Agency or Atoll Local Government, indicating mainly the relevant program of actions and activities towards achieving the targets stipulated in each of the Master Plans.

b. Political Commitment

Effective implementation of programs and projects envisaged in our **Vision 2018** requires three main types of ingredients:-

- **political action;**
- **financial resources; and**
- **effective administrative inputs.**

First of all, in regard to political action, there is an important role to be played by our highest law making bodies, the Nitijela and

the Council of *Iroij* as well as by our highest executive authority, the Cabinet. It is absolutely essential, if this plan is to result in the achievement of our National Vision, that there is full political commitment to its implementation. It is true that the composition of our Government and our Legislature may change from time to time, as it is the natural tendency in any nation with a democratic form of government. However, it is extremely important that the National Vision identified in this Plan be accepted at least in broad terms as something that is representative of our nation as a whole irrespective of any political affiliation. If that were done, then a political commitment for its implementation can be expected from all Governments and legislatures to come. To that extent we will have a greater chance of achieving our National Vision. It is important therefore that our **Vision 2018** is submitted to the Nitijela and the Council of *Iroij* for endorsement in due course.

Having pointed out that as the bedrock on which effective implementation of the **Vision 2018** should be built, there are certain immediate actions that need to be taken by the political authorities. First of all, there is an important and a continuing role for the Nitijela, the Council of *Iroij* and the Cabinet. Initially, the Plan needs to be accepted and approved by these authorities. In their role as the highest law making bodies and the highest executive authority of our nation. Once the initial approval is given, then there is also a continuing role expected

of them. One of the most important aspects of this continuing role is to approve funding for the implementation of the **Vision 2018** through the Annual Budgets. Furthermore, many of the strategies identified will require the amendment of existing laws and regulation and the approval of new legislation and regulations. Of course, in all these matters the lead initiative has to be taken by the Cabinet. Some of the strategies identified may even require revision of our Constitution for which a clear mandate from the people must be obtained. When this happens then there would be the need for a Constitutional Convention as and where appropriate. From time to time, even National consultations through Economic and Social summits would need to be held as part of the continuing partnership between our Government and the people.

c. The National Budget

The second key ingredient in ensuring effective implementation is that the financial resources necessary for that purpose are provided in adequate amounts and on a timely and a regular basis so that their availability can be taken for granted. The funds needed for the implementation of this Plan will come mainly from the grants under the Compact of Free Association that is coming up for renewal for another fifteen years. These grants will be supplemented by domestic revenue and other aid funds. Where absolutely necessary, and sound development projects have been identified.

“Jepilpin Ke Ejukaan”

borrowed funds will be utilized to finance development projects. Projections of funding needs of the Plan are being prepared at present.

Assuming that the projected funds will become available, the most important tool through which such funds will be applied for the purpose of carrying out the programs, projects and tasks that logically flow from the strategies identified in the Plan, is the Annual Budget of the Government. Hence the role of the budget needs to be discussed at length. A description of the role of the budget was given in Chapter 4 (Table 4:1) under “Improving Resource allocation”. For effective implementation, it is important that the role explained therein be strictly followed. The resources needed to implement the programs prioritized according to the Plan strategies must be provided annually through the Budget. The Budget must also be used as a means of monitoring the implementation of the Plan and for identifying and rectifying factors that tend to impede progress.

The exact manner in which the Budget becomes a tool for implementing the Plan would become clearer by looking at the third most important ingredient stated earlier, i.e. effective administrative inputs. These come from the various Ministries and Statutory Agencies. The strategies to be followed by each of these entities are stated in various parts of the Plan. More detailed action plans based on these strategies will be developed in the next six months. There

are two principal tasks that the Ministries and Statutory Agencies should perform.

As explained above, the next immediate step will be the formulation of Master Plans and detail Strategic Plans as shown in Diagram B above, based on the relevant priority objectives and strategies in our **Vision 2018**. Secondly, after detailed action plans are developed, it is important that resources are channeled into those areas through the annual budget. With regard to the first, the Ministries and Statutory Agencies must operationalize the respective parts of this **Vision 2018**, which are relevant to them by taking the relevant objectives and strategies and organizing in terms of their own programs. Each program will then be broken down into projects, outputs and tasks so that it can be ensured that the activities needed to implement the strategies are in fact well identified and carried out by personnel assigned to those tasks. The tasks then have to be assigned and time bound responsibilities assigned. In addition, implementation and monitoring mechanisms have to be established and indicators for gauging progress have to be set up. Mechanisms to identify unforeseen bottlenecks and problems and to address them have also to be established.

It is equally important for Ministries and Statutory Agencies to ensure that the resources needed for the implementation are made available. This requires that all Ministries and Statutory Agencies use the annual Government Budget as the principal tool of implementation. Every year each

“Jepilpilin Ke Ejukaan”

entity has to ensure that the required funding is requested and secured through the Annual Government Budget. This poses an important challenge to all Ministries and Statutory Agencies since the current format of the budget has to be changed. The current format is a line budget system which only shows funds required in terms of inputs such as personnel, equipment, and travel, and personnel emoluments. What those inputs are for and what programs are carried out and what objectives are achieved are not clear from the present format.

The new format will allocate funds in terms of programs, which are directly linked to strategies and objectives, derived from the Strategic Development Plan. Changing to the new format requires that the resources such as funding and personnel be reallocated in terms of the new programs and priorities. That requires Commitment from all Heads of Ministries and Statutory Agencies to change their budgets from the old system to the new system based on the priorities of the Plan. That also requires writing new job descriptions for all or most personnel in each entity. What this points to is that there is adequate capacity in each entity to prepare budgets on the new

formats and to carry out new responsibilities as required by the Plan strategies. At present such capacity is low and limited. Therefore a long-term training program will be carried out in all Ministries and Agencies to organize the planning and utilization of both financial and human resources in the manner required for Plan implementation.

Implementation calls for a significant improvement in our Public Service. At the moment the Public Service is thin in terms of its numbers and quality. Sometimes even basic skills such as those of stenographers, and clerical workers with ability to file, keep records seem to be inadequate. The productivity is low due to lack of skills, commitment and inadequate numbers. There is an urgent need to address this situation. The financial and fiscal management reform program ready to be implemented with ADB assistance is expected to initiate work in this regard. Under that program a thorough review of the Public Service will be undertaken so that the problems can be correctly identified and solutions recommended. Such recommendations, once known, will be implemented.

III. Monitoring and Evaluation

Once the Plan begins to be implemented, the achievement of the results will be monitored on an ongoing basis in order to ensure that the programs are being carried out as expected. Another purpose of continuous monitoring is to discover any unforeseen problems and to deal with such problems as quickly as possible in order to ensure continuity of implementation. Sometimes, from time to time changes would be required in implementation in order to respond to unforeseen circumstance or changes in the priorities. Monitoring will be done at all levels. For example, each Ministry and Agency will have its own monitoring procedures and mechanisms established to ensure successful implementation. Serious consideration will be given to the creation of Program Implementation Units at each Ministry to manage the implementation of programs. These units can report directly to the Minister and Secretary on a regular basis as well as report to the NPCC periodically for the purpose of coordination. Monitoring will

also be done at a national level for the benefit of the Cabinet through a Coordination body such as the Budget Coordination Committee and the newly established National Policy Coordination Committee. On behalf of the NPCC, its Secretariat, will establish a mechanism and a schedule to ensure that monitoring is done on a regular basis.

Finally the Nitijela and the Council of Iroj will be involved in the monitoring and evaluation process through various means. The Annual Budget along with the annual Statement of Economic Policy by the Minister of Finance will provide two important means for the legislature to monitor the progress of the Plan. The data provided in terms of the many indicators used by the Ministries, Statutory Agencies to collect information on the progress of the goals and objectives would be a good source of information available to all stakeholders in our society to understand the manner in which the Plan is being implemented.

ⁱⁱ This is small increase of only 85 jobs for ten years. This shows in actual fact that the rate of increase of jobs declined significantly.

ⁱⁱⁱ The process where real life perspective is brought together in a much smaller image, similar to the miniature gardening concept.

^{iv} Nathaniel Branden, "Self-Esteem in the Information Age." in *Global Trends 2005 The Challenge Of A New Millennium*, p33. Michael J. Mazarr, Center for Strategic and International Studies 1997

^v A Consumer Guide that provides information on important items of import such as motor vehicles.

^{vi} In accordance with UNFPA standards, reproductive health includes family planning and other related issues

^{vii} Grameen Bank is a rural banking credit scheme, which started in Bangladesh and has been very successful in enabling villagers to have ready access to credit.

^{viii} IT is the international acronym for information Technology