Republic of the Marshall Islands

Ministry of Resources and Development

Strategy and Action Plan 2005-2010

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estment electrification food security investment electrification

outer-islands job creation productive people outer-islands job creat homegrown healthy foods

food security investment electrification productive people self-reliance outer-islands job creation homegrown healthy foods
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[Foreword from the Minister and/or Secretary needs to be inserted here]

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Abbreviations Used

ADB Asian Development Bank

AG Office of the Attorney General (RMI)
APCC Asia Pacific Coconut Community
CMI College of the Marshall Islands

DSAP Development of Sustainable Agriculture in the Pacific (SPC)

RMIEPA Environment Protection Authority (RMI)

EPPSO Office of Economics, Policy, Planning and Statistics (RMI)

EU European Union

FAO United Nations Food and Agriculture Organization
FIAS Foreign Investment Advisory Service (Australia)

HACCP Hazard Analysis Critical Control Points

IA Ministry of Internal Affairs (RMI)

JEMFAC Joint Economic Management and Fiscal Administration Committee

KALGov Kwajalein Atoll Local Government MEC Marshalls Energy Company

MIDA Marshall Islands Development Authority
MIDB Marshall Islands Development Bank

MIMRA Marshall Islands Marine Resources Authority

MIVA Marshall Islands Visitors Authority

OEPPC Office of Environmental Policy and Planning Coordination (RMI)

PIC Pacific Islands Center

PISBDCN Pacific Islands Small Business Development Center Network

PITIC Pacific Islands Trade and Investment Commission R&D Ministry of Resources and Development (RMI)

RMI Republic of the Marshall Islands
SBA Small Business Administration (US)
SBDC Small Business Development Center (RMI)
SOPAC South Pacific Applied Geoscience Commission

SPC Secretariat of the Pacific Communities SSC South South Cooperation (FAO)

T&C Ministry of Transport and Communications (RMI)

UH University of Hawaii

UNDP United Nations Development Program

UNESCAP United Nations Economic and Social Commission for Asia and the Pacific

UNIDO United Nations Industrial Development Organization

USAKA United States Army Kwajalein Atoll
USDA United States Department of Agriculture

WAM Waan Aelon in Majol
WTO World Trade Organization

WUTMI Women United Together in the Marshall Islands

Who We Are

Our Mission

As the primary government organization responsible for Agriculture, Energy, Trade and Investment in the Marshall Islands, the Ministry of Resources and Development will promote and assist the development of these sectors in a sustainable and productive manner, through activities which foster sustainable food production, provide alternative energy resources and income-generating opportunities for the people of the Marshall Islands. Respect for the environment will be a top priority and special focus will be given to the outer-island communities in developing their agricultural, energy and economic sectors.

Our Vision

We envision a future where:

- Modern development and urbanization co-exists with the environment and our traditional lifestyles;
- Physically active people eat locally grown and processed, healthy foods and we have secure supplies of food;
- There are business and job opportunities for our people;
- Each outer-island household has access to electricity;
- Our beautiful islands are safeguarded from pests and disease;
- Our unique Marshallese products are being successfully exported around the world; and
- Our traditions are alive, and we are economically self-reliant.

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Our Core Values

Team-work and Cooperation

We happily work together towards common goals, through talking to each other, sharing ideas, listening, and by doing the tasks that we need to do.

Trust

When a supervisor gives a staff member a task to do, there is trust in that delegation. At the same time, the staff member does what is expected in order to retain that trust.

"Honesty is the Best Policy"

We commit to do our tasks and we try our best to complete these tasks. However, when we encounter a problem or delay, or when we make mistakes, we ask for help.

Communication and Sharing Information

We have regular meetings and regularly report on our activities to all parts of the organization. We are engaged in questioning and listening to others, because by sharing information we will achieve our goals.

Organized

We work together towards the common goals we have developed through planning. To help us do this effectively we have detailed work plans with clear schedules and responsibilities and regular reporting. We have good collaboration through meetings and written plans, and responsibilities are made clear in our organizational structure and job descriptions.

Respect and Leadership

We are all leaders at one time or another. We show respect to ourselves and others by being on time, getting our tasks done and by being role models. We give praise and encouragement to recognize the efforts of others by saying "Good job" or "Thank you," but also give constructive feedback to help each other to improve. This type of encouragement and feedback occurs from supervisor to staff, between colleagues and from staff to supervisor.

"Nobody is perfect...we are all learning!"

Background and Context of the Ministry of R&D

History:

The Ministry of Resources and Development was established in 1979 under the Constitution of the Marshall Islands. The portfolio of the Ministry has undergone several changes during its history. Primarily responsible for development of the economy through promoting agriculture, investment and trade and energy development, the Ministry has also been responsible for fisheries, tourism and public works in the past. In 1997 The Marshall Islands Marine Resources Authority was established by an Act and mandated with the management of all marine resources in the RMI. In 1997 The Marshall Islands Visitors Authority was created to focus on development of the tourism industry in the Marshalls. While these remain the two greatest opportunities for economic development and export, the sectors within the Ministry remain critical for economic development of the young nation of the Marshall Islands. In 1997 through the ADB-led public sector reform program, the Ministry of Public Works was incorporated into the Ministry of R&D. It was subsequently separated out again in 2000.

Lands and survey, planning and zoning functions and labor functions were also part of the Ministry in the past. The Ministry has evolved over the years to its current set of responsibilities.

Legislative Framework:

There are several key pieces of legislation relating to the Ministry of Resources and Development.

The following references have all been taken from the Marshall Islands Revised Code, 2004 Edition.

Title 8, Chapter 1: Quarantine Restrictions - "Animal and Plant Inspection Act" requires the Chief of Agriculture (within the Ministry of R&D) to issue regulations pertaining to quarantine, and to monitor and enforce those regulations and the Act. This describes the core function of the Animal and Plant Protection Unit within the Ministry. Quarantine Regulations exist subsidiary to this law.

Title 8, Chapter 2: "Export Meat Inspection Act" requires the Chief of Agriculture to inspect all meat for export.

Title 8, Chapter 3: "Endangered Species Act" requires the Secretary of Resources and Development to promulgate, monitor and enforce regulations regarding endangered species in the RMI. Again, no such regulations are in existence. Consideration should be given to coordinating with other agencies, in particular the Environment Protection Authority to amend and/or implement the Act as required. The implementation of this act is critical to the conservation of the Marshall Islands' biodiversity.

Title 35, Chapter 3: "Alternative Energy Fund Act of 1989" provides for a revolving fund for the development, marketing and operation of alternative energy systems, and as such is to be utilized by the Energy Services unit of the Ministry (although the fund itself is administered by the Ministry of Finance).

Title 11, Chapter 14: "Agricultural Supplies Account Act 1979" provides for a fund for the purchase of Agricultural supplies, to be administered by the Minister and Ministry of Resources and Development.

Many other business related laws are relevant to the Ministry, in that the Ministry provides guidance to investors on how to comply with those laws. The staff in the Ministry needs to become familiar with the relevant business and investment-related laws and regulations.

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Current Situation

Physical Infrastructure

Facilities:

The Ministry of R&D works out of four facilities in Majuro, one in Ebeye and one in Arno.

On Majuro, most of the divisions are located in a building shared with MIMRA in Delap. The Small Business Development Center offices are located at the Marshall Islands Development Bank (MIDB) building.

The Quarantine division has an office on Ebeye located on the 1st floor of the Kwajalein Atoll Local Government (KALGOV) building.

R&D has two extension/demonstration facilities in Laura Village on Majuro; both are managed through a technical assistance program funded by the Republic of China (Taiwan).

Office Space:

There appears to be adequate office space for all of the staff at R&D. The staff has expressed interest in establishing an information center and library to house all R&D materials. These would be accessible to R&D staff and to the general public.

Transport:

The Ministry has four double cab trucks and one car which is used exclusively by the Quarantine division.

The Ministry formerly owned an inter island landing craft. It was transferred to the Ministry of Transportation & Communications two years ago. The lack of access to an inter island vessel such as the landing craft has made it more difficult to move equipment such as agricultural tools, and has had a negative impact on outer island outreach programs.

Heavy Equipment:

The Agriculture Services division has in its possession various heavy equipment, including a tractor and backhoe loader. It also has shredding equipment and other types of equipment. Most of the equipment is located at the main R&D compound in Delap.

Lab Equipment:

The Agriculture Services division has lab equipment, but all of it is in storage or has been given to the CMI/ LandGrant program at Arrak. Today, R&D collaborates with CMI LandGrant and relies on their research.

Information Technology:

There is a computer network in the main offices in Delap, but not everyone has access to the network and it is slow and in need of an upgrade. The network is hooked up to the internet. Almost all of the offices have a desktop computer. However, reports, announcements and so forth are not always posted on the network.

Financial Resources

Budget Summary:

The bulk of the Ministry's total budget comes from international agencies. The Ministry

\$645,842 From the RMI General Fund for use across the range of programs;

\$141,362 From the Compact fund for private sector development

\$326,147 From UN FAO for Food Security, South South Cooperation (technical assistance) and other special projects such as the Banana project;

\$41,000 From US Federal Grants; and

\$50,000 annually for SPC Development of Sustainable Agriculture in the Pacific (DSAP).

The Ministry also administers grants from the EU for implementing energy policy.

These numbers are dictated by fiscal year budgets and are subject to change on an annual basis.

Human Resources

Quantitative:

The Ministry employs about 26 staff; 13 in Agriculture and Quarantine Services, 5 in Trade, Investment and Business Services, 2 in Energy Services and 6 in Management and Administration.

Capacity Building Needs:

There needs to be a strategic approach to Human Resource Development and Capacity-building within the Ministry. In the future, it will be important to have degree-qualified people working in the technical areas of Agriculture, Trade and Investment and in Energy.

Professional needs:

- Agriculturists;
- Economist / International Trade/ Business Management;
- Public Policy and Planning;
- Human Resource Management; and
- Access to highly specialized professions such as entomologists and veterinarians.

Additionally, because of the Ministry's key role in intermediary capacity building, there will need to be professional level people in Agriculture Extension who are well-versed in participatory techniques.

In response to the ongoing needs for Capacity Building and Human Resource Development, the Ministry has developed a Strategic Program to address Human Resource Issues in a consistent manner, with an eye on recruiting and retaining a higher level of skill and competence. See *Program E1: Human Resource Management.*

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Core Processes

Service Provider:

The Ministry describes itself as a Service Provider, primarily delivering services of Facilitation and Information. In order to emphasize the role of service to the community and the people of the Marshall Islands, the Ministry has named the most relevant programs as "Services."

Facilitator:

The Ministry describes its role as a Facilitator as:

We "listen" to the needs and wants of our key stakeholders and target groups

Through meetings, consultation, surveys and observation,

We process this information

And respond by

Organizing, planning, and acting as the liaison between stakeholders.

Manager:

Information The Ministry describes its role as an Information Manager as the following:

We collect, manage and disseminate relevant information

To enable the Ministry and our customers and stakeholders to make informed decisions.

Information is collected and stored in hard copy or electronic form,

Is processed to make it more meaningful, through translation or publication,

And then disseminated to our customers and stakeholders through a variety of mechanisms.

Key Customers

Farmers:

Several programs need to focus on providing services to farmers with an emphasis on development of skills in agriculture and in basic business planning and marketing of produce- including identifying what types of crops to grow, post-harvest handling and food safety. Another major issue is providing this customer group with access to credit for tools, seeds etc. All programs will rely heavily on the Agriculture Extension trips, leveraging these Outer-island visits to provide a broader range of services.

> Special Program: Farmers' Markets A1: Agriculture Production Services

C1: Microfinance

C2: SBDC

Communities:

Outer-Island A focus of the Ministry's mission is the development of Outer-island communities. The distances and difficulties of accessing the Outer Islands means that R&D will have to prioritize islands for development and for Extension activities. All programs will rely heavily on the Agriculture Extension trips, leveraging these Outer Island visits to provide a broader range of services.

> A challenge for R&D will be to extend the range of services to Outer-island communities.

> > Special Program: Coconut "Tree of Life"

A1: Agriculture Production Services

B1: Product Development Services

C1: Microfinance

C2: SBDC

D1: Outer Island Electrification

Business Community and Investors:

Private sector development is one of the most important development strategies of the RMI government. The Ministry provides a range of services to potential and established businesses and investors, including:

- Information and guidelines on establishing a business and investing in the
- Contact information:
- Assistance in business planning for small businesses;
- Export facilitation (assisting businesses to meet export requirements);
- Facilitation of access to domestic and international markets; and
- Assistance in product development.

B1: Product Development Services

B2: Domestic Marketing Services

B3: International Marketing Services

B4: Trade Facilitation Services

C2: Small to Medium Business Services

C3: Investment Information and Facilitation Services

There are many other stakeholders and customers for the Ministry, however, the groups listed above remain the primary focus of Ministry service delivery.

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Policy and Planning Committees

Resources and Development Task Force

Over the years, as statutory authorities were established for the important industries of tourism and fisheries, these agencies split away along with the functions of planning for economic development. The Resource and Development Task Force was established in 2000 in order to provide a forum for the coordination and sharing of economic development plans and policies. The R&D Task Force has been dormant and the Ministry intends to revive the Task Force to improve planning coordination. Key members of the Task Force are the Marshall Islands Visitors Authority (MIVA), Marshall Islands Marine Resources Authority (MIMRA), the Economics, Policy, Planning and Statistics Office (EPPSO), the Marshall Islands Development Bank (MIDB) and Tobolar.

Food and Nutrition Task Force

The Food and Nutrition Task Force is a multi-agency committee that was established in 1996 with a basic mandate to decrease the incidence of lifestyle diseases in the RMI and increase the consumption of local foods of higher nutritional value. In that year, the task force developed and approved the "RMI Food and Nutrition Policies." Since 2000, however, the task force has been dormant. The Ministry intends to revive the committee, consisting of representatives from the Ministries of Health and Education, MIMRA, the Environment Protection Authority (RMIEPA) and the private sector to provide guidance and policy direction on a range of issues including:

- Promoting healthy eating and Marshallese produce;
- Codex Alimentarius com pliance and food safety;
- Health of imported goods (for example, turkey tails);
- Providing input on the activities of the SPC Development of Sustainable Agriculture in the Pacific and the FAO Food Security programs; and
- Other activities regarding food and nutrition where stakeholder input is required.

Program Overview Table

Special Programs

1: Coconut "Tree of Life" (Outcome 1)

2: Farmers' Markets (Outcome 2)

Program Area A

(Outcome 1)

Primary Production Agriculture

A1: Agriculture
Production Services
A2: Plant and Animal
Protection Services
A3: Agriculture Policy
and Planning

Program Area B

(Outcome 2)

Product and Market Development

B1: Product
Development
Services

B2: Domestic Marketing Services B3: International Marketing Services

B4: Trade Facilitation Services

Program Area C

(Outcome 3)

Investment and Business Development

C1: Micro-finance Services

C2: Small to Medium Business Services (SBDC)

C3: Investment Information and Facilitation Services

C4:Trade and Investment Policy

Program Area D

(Outcome 4)

Energy Services

D1: Outer Island Electrification

D2: Other Energy Services

Program Area E: (Outcome 5)
Management and Administration

E1: Human Resource Management E2: Planning, Measurement and Reporting

E3: Information Management

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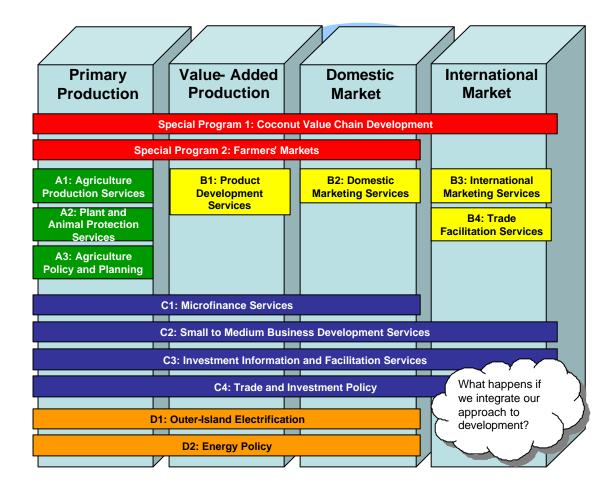
An Approach to Resource Development- the Value Chain

The Ministry of Resources and Development has taken a strategic approach to consider the questions...

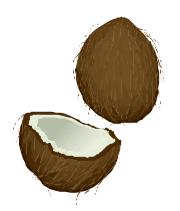
What are the Resources of the Marshall Islands?

What are the opportunities for the **Development** of these resources?

As a result of this, the Ministry has used a "Value Chain" model looking at primary production, value-added production and market development for products. The diagram below indicates how R&D's programs support the development of the resource value chain.



Special Programs



Special Programs are programs to be implemented by the Ministry of Resources and Development, which are broad in scope and cut across not only the departments within the Ministry, but will also require committed involvement from a range of other stakeholders. We think these are projects that have the potential to create sustainable change and real economic development and are worthy of our special focus. With our limited resources, these are the areas in which we are optimistic that we can make a difference.

"Farmers Markets" on Majuro and Ebeye Coconut "Tree of Life" Development

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Special Program: "Farmers Markets" on Majuro and Ebeye

Objectives

Established Farmers' Markets in the urban centers of Majuro and Ebeye to encourage production and sale of locally grown and processed food and goods.

Measures

- ✓ Markets are established:
- ✓ Number of producers participating in the market
- √ Number of consumers participating in the market; and
- ✓ Value of goods exchanged in the market.

Background

A "farmers' market" is a place where local people can come together and sell their local produce- fruit and vegetables, and also fresh fish and locally processed foods such as preserved Pandanus, roasted breadfruit and fish jerky. It can also be a place to sell handicrafts or clothes. For the consumers in the local community, the market will be a place to buy local, fresh and healthy foods, and would serve as a gathering and meeting place.

Creating such markets will help achieve several development objectives for the Marshall Islands, including import replacement, healthier diets, increased self-reliance and incomegenerating opportunities for the community.

Previous attempts have been made to establish such a market. A building was established several years ago near the Ministry building but was subsequently appropriated for other uses. The Ministry of R&D has highlighted this "Farmers' Market " program as a special focus area. Its cross-cutting nature requires that resources be allocated from various departments in the Ministry, and also requires that the Ministry work in close cooperation with Farmers' Associations, Local Governments and the private sector to establish a sustainable activity.

Strategies

- Facilitate the establishment of a fixed location for the market, with access to shelter, tables, water for cleaning and administration of market fees;
- Encourage private sector involvement in the market in terms of ownership or management;
- Facilitate the participation of existing and new local producers;
- Facilitate access to transport and local agents for outer-islands producers to sell their produce or goods at the market;
- Cooperate with MIMRA to include sale of fish at the market; and
- Ensure post-harvest handling is done in accordance with food safety principles.

Key Stakeholders and Partners

Farmers, manufacturers, producers Laura Farmers Association

Handicrafts Association

MIMRA

Majuro and Kwajalein Local Governments

Private sector investors, owners and/or managers



Activity	Partners	Timing	Responsibility	Outputs/ Measures
Carry out research to understand why the previous attempt at a market did not work	MalGov MIMRA	Yr 1 Q1	Trade Promotion Officer	Report describing "Lessons Learned" and recommendations
Develop a detailed work plan for facilitating a monthly farmers market on Majuro		Yr 1 Q1	Trade Promotion Officer	Detailed work plan with commitment
 market en majare			Chief, Agriculture	
Facilitate a monthly farmers market on Majuro until permanent	MalGov Laura	Yr 1 Q1	Trade Promotion Officer	Monthly farmers' market held
market can be established	Farmers' Asn.		Chief, Agriculture	
Establish permanent Farmers' Market on Majuro		Yr 1 Q4	Deputy Secretary	Market established and held weekly
Establish Farmers' Market on Ebeye		Yr 2 Q4	Deputy Secretary	Market established and held weekly or bi-weekly
Encourage agricultural production on Majuro and select outer islands to supply farmers market	As part of Ag Production S See Program	Services	Chief, Agriculture	Increased produce and goods being sold from outer islands
Provide training to farmers in post- harvest handling	FAO/ SPC	Yr 1 Q4	Chief, Agriculture	# Farmers trained in post-harvest handling
Advise farmers on which crops to grow		Yr 1 Q4	Trade Promotion Officer	
Facilitate transport from outer islands to urban centers by negotiating with transport operators	Ministry of T&C Private operators	Yr 1 Ongoing	Deputy Secretary	# of visits of merchant/ supply boats to each outer island

Possible Issues/ Constraints

This program requires cooperation and coordination with a range of stakeholders and will require engagement of a party (not the Ministry) to establish and manage permanent market sites.

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Special Program: Coconut "Tree of Life" Development

Objectives

Increase the value of coconuts and coconut products to the Marshall Islands .

Reduce dependence of outer islands on imported fuel and copra subsidies.

Develop value-added coconut products for export.

Measures

- ✓ Increase in real value of coconuts and coconut products to the Marshall Islands (economic assessment);
- ✓ Increase in use of coconut products on-island;
- ✓ Increase in income or equivalent income for outer island communities (for example, if fuel costs are reduced, this can be considered equivalent income); and
- Decrease in subsidy payments from the government.

Background

Since the 1850's the Marshall Islands have been involved in Copra production, and the atolls are widely planted with coconut trees. This is one of the most underutilized resources and an integrated approach to the development of coconut resources in the RMI has the potential to have a positive impact on the living standards of outer islanders while reducing the reliance on government subsidies for copra.

The extraction of coconut oil can be decentralized and carried out on outer islands at relatively low cost. The oil can then be used to run electricity generators (at significantly lower cost than solar power), diesel vehicles and outboard motors. Electricity from the generator can be used to drive high-power machines such as refrigerators, irrigation pumps and power tools, thus opening up a range of income-generating opportunities. This is a particularly exciting possibility for Outer Island Electrification using a renewable energy source. (See *Program D1: Outer-Island Electrification*).

All of this provides opportunity to increase subsistence and surplus production of fisheries and agricultural products.

Coconut oil can also be used directly for cooking, or to develop value-added products such as beauty creams and oils.

While parts of the coconut tree are already used for handicrafts, there are other parts whose economic value can be explored, such as the timber from the large population of senile trees (at the end of their productive life), and high-quality, high-value charcoal production from the coconut shell.

The Ministry of R&D highlights the "Coconut Value Chain Development" as a high-priority program with the potential to have a real impact on the quality of life in the outer islands. It is a cross-cutting program which requires allocation of resources from all departments in the Ministry; Agriculture, Trade and Business Development and Energy, as well as strong partnerships with many other stakeholders .



Strategies

- Establishment of a Multi-Agency Project Team;
- Rehabilitation and replanting of coconut trees;
- Value-added production and use of coconut products on outer islands, therefore reducing costs and losses from inter-island transport;
- Refocus the coconut industry from copra-export to value added products and local use in fuel, cooking oil, livestock feed, and other uses;
- Complete assessment of economic value chain to pinpoint development areas of focus;
- Facilitation of access to small-scale processing equipment and access to credit for purchase of equipment;
- Examination of different value-added products for export potential; and
- Focus on development of coconut value-chain on outer islands.

Key Stakeholders and Partners

All divisions of R&D; Agriculture Services, Trade, Investment and Business Services and

Energy Services

Tobolar, PII

SOPAC

WAM (for possible uses of timber)

FAO SPC

APCC

USDA Forestry Service

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Activity	Partners	Timing	Responsibility	Outputs/ Measures
Establish a "Coconut Value Chain" project team	As above	Yr 1 Q1	Secretary	Team established and Terms of Reference written
Project plan developed		Yr 1 Q2	Secretary	Published project plan
Collect and compile information on possible uses of coconut products and by-products		Yr 1 Q2	TBD	Information Compiled and made available
Carry out economic assessment of possible uses of coconut in the Marshalls		Yr 1 Q2	TBD	Economic assessment published
Select outer islands for pilot project		Yr 1 Q2	Secretary	Outer islands selected
Establish replanting and rehabilitation program		Yr 1 Q2	Chief, Agriculture	Plan developed and revised based on coconut census data (below)
Coconut tree census	CMI/ LandGrant	Y1 Q2	Chief, Agriculture	Data showing quantity and ages (relative productivity) of coconut trees across the RMI

<u>Note:</u> This outline of activities, and their timing and responsibility may change substantially based on the project design, however, the project team should include theses activities as a minimum guide to what needs to be achieved.

This program is strongly linked to *Program D1: Outer-Island Electrification*.

Possible Issues/ Constraints

These activities require cooperation and coordination of a range of stakeholders and will also require strong political support to maintain the focus.

Program Area A: Agriculture





A1: Agriculture Production Services

A2: Plant and Animal Protection Services

A3: Agriculture Policy and Planning

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Program A1: Agriculture Production Services

Objectives

Increase domestic food production.

Ensure adequate production of raw materials for handicrafts, medicine, coconut products and other non-food production.

Measures

- ✓ Increase in agricultural production across the Marshall Islands; and
- Corresponding decrease in consumption of imported goods.

Background

Agriculture Production Services essentially provides extension support for agriculture in the RMI. Of key relevance here is the Agriculture Sector Development Strategy and Action Plan for the RMI, developed with assistance from the ADB in 1997. This document outlines particular approaches to developing agriculture for the RMI and should be referred to while developing detailed action plans from this 5-year plan.

Strategies

- Improving the technical skill of farmers through extension services including hands-on demonstrations, access to training courses and "how-to" publications;
- Increasing community participation in farming through demonstration plots, school gardens and by demonstrating the income generating potential of farming;
- Increase the participation of women in farming;
- Implement sustainable farming systems;
- Composting (link composting to business opportunity and solid waste management);
- Increased intensive production through integrating introduced crops to an existing farming system;
- Promotion of livestock farming;
- Increase domestic/ local trade in agricultural products;
- Sustainable management of agro-forest resources, including replanting and rehabilitation, particularly of senile coconut trees;
- Focus on development of agriculture in outer islands; and
- Establish and maintain nurseries for preservation of genetic resources and as a supply for farmers.

Key Stakeholders and Partners

FAO, SSC, SPC

Farmers, NGOs, Women's Groups, Churches, Schools, Farmers' Associations .

Activity	Partners	Timing	Responsibility	Outputs/ Measures
Develop extension manual, including procedures for data collection	SPC- DSAP project	Yr 1Q4	Chief, Agriculture Services	Clear and effective extension manual
Develop plans for outer-island visits		Yr 1 Q2	Chief, Agriculture Services	Written plans for each outer-island visit
Recruit and train local counterpart on selected atolls	Local Government	Yr 1 and Ongoing	Chief, Agriculture Services	Counterparts recruited and trained
Carry out visits to outer islands		Yr 1 Q1 and Ongoing	Extension Agents	# of visits carried out and reports of activities produced
Nursery Program	USDA		Chief, Agriculture	
Expand nursery on	Forestry Service		Services	# of species maintained
Majuro	FAO SPC-DSAP		-	# of plants distributed
Establish satellite nurseries on outer- islands			Ongoing	
				# of plants in satellite nurseries
Establish Livestock Breeding Program	FAO/ SPC	Yr 3-5	Chief, Agriculture Services	TBD
Operate Demonstration Farms	TBD	TBD	Chief, Agriculture Services	TBD
Develop "micro-gardening" in urban centers through awareness programs and demonstrations		Yr 2 onwards	Chief, Agriculture Services	# of people with "micro- gardens"

Possible Issues/ Constraints

Low capacity in agriculture and extension in terms of skill;

Lack of inter-island transport by boat; and

Degree of commitment of local governments and communities.

Plans for outer-island visits will include:

Which atoll and islands are to be visited, when, by who and the specific objectives of the visit.

Objectives will include:

- Developing a local on-island counterpart;
- Collecting information on agricultural activities and needs, soil samples etc;
- Providing hands on training, information and awareness in the areas of:
 - o Crop production
 - Agroforestry
 - Livestock production
 - o Pest and Disease control
- Providing information about other services offered by R&D especially:
 - o Business planning and training
 - Facilitating access to credit
 - o Product development services
 - Energy/ electrification services.

November 2004

Program A2: Plant and Animal Protection Services

Objectives

Prevent the introduction and further spread of injurious pests and diseases into and within the Marshall Islands .

Safeguard agriculture, livestock and the Marshalls' natural biodiversity.

Measures

✓ Incidence of injurious pests and diseases in the Marshall Islands (from survey).

Background

The activities in Plant and Animal Protection Services are critical to the ongoing health of the Marshalls' extraordinary natural biodiversity and agricultural activities, as well as current and future export and trade activities.

Plant and Animal Protection Services carry out quarantine inspections and law enforcement on all incoming aircraft and vessels to the Marshall Islands. In addition, the division will conduct surveys and monitoring of pests.

It is essential that the Ministry of R&D maintains an internationally acceptable level and quality of activity.

Strategies

- Inspections according to regulations;
- Eradication and control programs;
- Public education and awareness to comply with quarantine laws:
 - Increase awareness of bringing in pests and disease from overseas;
 - Increase awareness on the spread of pests and disease between islands;
 - Provide information on eradication and control procedures;
- Monitoring and surveillance of fruit flies, mealy bug, coconut scale;
- Capacity-building; improve the identification of species the quarantine officers do not know; and
- Develop response plans.

Key Stakeholders and Partners

SPC Plant Protection Micronesia Project

FAO Pest Net RMI Ports Authority

Airlines

Importers and Exporters Ministry of Health

Environment Protection Authority

Community

Activity	Partners	Timing	Responsibility	Outputs/ Measures
Review quarantine manual	SPC	Yr 1 Q4	Head Quarantine Officer	Updated quarantine manual
Review quarantine regulations	AG	Yr 1 Q4	Head Quarantine Officer	Updated quarantine regulations
Develop response plans for pest and disease outbreaks	Chief Secretary's Office, Ministry of Health, Ports Authority, RMIEPA, SPC	Yr 2	Head Quarantine Officer	Mitigation plans in place
Carry out enforcement of quarantine law (Ports inspections on Majuro and Kwajalein)		Ongoing	Quarantine Officers	# and type of inspections # and type of confiscations
Carry out extension activities- show people how to identify and eradicate pests and disease	R&D Extension Officers	Ongoing	Head Quarantine Officer	#, type and location of extension activities
Produce and maintain brochures for public awareness	SPC	Ongoing	Head Quarantine Officer	# of brochures distributed
Public Awareness campaign on quarantine and pests		Ongoing	Head Quarantine Officer	# of radio announcements, pamphlets, conferences etc.
Regular surveillance and monitoring (esp. fruit flies, mealy bug and coconut scale)	SPC	Ongoing	Head Quarantine Officer	Frequency and type of surveys Results of surveys
Identification of previously unknown species	CMI LandGrant, SPC, FAO PestNet	Ongoing	Head Quarantine Officer	# of species identified
Carry out control/ eradication activities- Scheduled and		Ongoing	Head Quarantine Officer	# and type of scheduled/ responsive control activities
Responsive		(Scheduled Quarterly)		Measure effectiveness through results of surveys
Respond to requirements of Cartagena Protocol as required	OEPPC	As needed	Secretary	Regulations and manual updated to reflect compliance
Establish an animal health/ paraveterinary service		Yr 3	Secretary	Service established
Develop a coordinated approach to plant and animal protection with USAKA (includes quarantine inspections on incoming military planes and vessels, control and eradication, incineration of confiscated goods etc.)	USAKA	Yr 1 Q4	Secretary	Agreement made between RMI Government and USAKA on quarantine of military vessels

Possible Issues/ Constraints

Difficulty in accessing convenient transport for quarantine officers $\,$ between Ebeye and Kwajale in for ports inspections .

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Program A3: Agriculture Policy and Planning

Objectives

Develop policy and plans for the effective development of agriculture in the Marshall Islands .

Measures

- ✓ Agriculture development plan for RMI produced;
- ✓ Atoll-based development plans produced;
- ✓ Agricultural information available; and
- Long-term: Socio-economic impact on the population of the RMI.

Background

An agriculture policy was developed in 1996 with the assistance of the Asian Development Bank. There is a need to develop capacity for agriculture planning, and to develop plans that are based on information. This program focuses on gathering information, developing national and local agriculture plans and ensuring that the institutional framework is conducive to agriculture development.

There is also a need to improve work planning and data gathering within the agriculture division to increase the effectiveness of the Ministry's activities in this area.

Strategies

- Improve agriculture information collection and management;
- Develop a national plan, and detailed plans for agriculture development on atolls based on the information;
- Build capacity in agriculture policy and planning; and
- Ensure legislation and government policy is conducive to the development of agriculture.

Key Stakeholders and Partners

FAO SPC EPPSO

Lands and Survey (Ministry of Internal Affairs), MEC

Activity	Partners	Timing	Responsibility	Outputs/ Measures
Conduct agriculture census	FAO Consultant	Yr 1 Q3	Chief, Agriculture Services	Completed report of results of agriculture census
Create Agriculture Development Plan			Chief, Agriculture Services	
National	FAO, SPC	Yr 2	_	National Agriculture Development Plan
Atoll-based		As req'd		Atoll-specific agriculture development plans
Establish GIS System for Agriculture Planning	SPC RMIEPA, MIMRA, Lands and Survey (IA), MEC	Yr 3	Chief, Agriculture Services	GIS System with agriculture information in place
Collect and maintain agricultural information/ census information during extension activities	FAO, SPC	Yr 1 Q4	Chief, Agriculture Services	Data submitted from all outer-island visits
Select 5 target atolls for each year		Yr 1 Q1 and annually	Secretary	5 atolls selected for focus each year
Develop Agriculture Program for Majuro and Kwajalein		Yr 2	Chief, Agriculture Services	Written Plan for Agriculture on Majuro and Kwajalein
Review government policy and legislation and make recommendations to facilitate agriculture development	FAO, SPC	As required	Secretary	Recommendations to cabinet/ revised legislation

Possible Issues/ Constraints

A major constraint is the current capacity for agriculture policy and planning within the Ministry.

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Program Area B: Product and Market Development



B1: Product Development Services

B2: Domestic Marketing Services

B3: International Marketing Services

B4: Trade Facilitation Services

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Program B1: Product Development Services

Objectives

Improve quality and increase quantity of manufactured products;

Develop new products (Increase the number and type of manufactured products);

Ensure the safety of products especially products for consumption;

Ensure manufacturing of products for export meets all export requirements; and

Improve packaging and labeling to be more attractive, and to meet requirements of importing countries.

Measures

- ✓ Number of different local products available for local consumption; and
- ✓ Number of local products that meet export standards for quality and reliability.

Background

As part of an overall strategy to provide income-generating opportunities for the people of the Marshall Islands, the Ministry will provide support for the development of manufactured and processed products for local consumption and for export.

The efforts will be focused on providing training, workshops and other information to encourage the development of new products, and to improve the production of existing products, especially for cottage-scale operations.

Products to be developed may include handicrafts, processed foods such as preserved fish and pandanus, traditional medicine such as the Noni juice and other products made from local raw materials.

This program is one part of the Ministry's overall strategy to increase consumption of domestic products, thus decreasing dependence on imports and increasing the self-reliance of Marshallese families and communities.

Strategies

- Business development; encourage small and medium enterprises in manufacturing/ value-added production;
- Facilitate access to training in manufacturing technology, food production, product development, HACCP and packaging and labeling;
- Target training for small cottage-scale production;
- Have a food technologist/ HACCP expert in house;
- Identify local products that can replace imports for product development,
- Develop a showcase of Marshallese and Pacific Island Products;
- Ensure products meet labeling requirements of importing countries.

Key Stakeholders and Partners

Handicrafts Association

Noni Juice/ Arno Oil company

Tobolar

MIMRA

WAM

WUTMI

Farmers' Associations

FAO

Activity	Partners	Timing	Responsibility	Outputs/ Measures
Identify specific business opportunities in manufacturing and feed into SBDC		Yr 1 Q1 Ongoing	Trade Promotion Officer	Descriptions of suggested business opportunities and basis for inclusion
Identify quality and labeling requirements for importing countries and develop appropriate training material	FAO		Trade Promotion Officer	
Identify specific types of products on which to focus development each year		Yr 1 Q1 & Annually	Trade Promotion Officer	List of product development focus each year
Develop a list of specific training needs and identify local trainers, if available		Yr 1 Q1	Trade Promotion Officer	List of specific training needs
Apply to regional or international		Yr 1 Q2	Trade Promotion	Written requests for
agencies for assistance in training		Ongoing	Officer	assistance to appropriate agencies
Schedule training sessions to coincide with conferences		Yr 1 Q4	Trade Promotion Officer	Schedule of training
Advertise training sessions on radio, in paper and through meetings of interest groups		Yr 2	Trade Promotion Officer	Advertisements and brochures
Organize and host training sessions		Yr 2	Trade Promotion Officer	# and type of training sessions annually
				# of people trained

 $\underline{\underline{\text{Note:}}} \ \, \text{This program will leverage agriculture extension visits to outer islands as a way to disseminate information about services and training offered.}$

Possible Issues/ Constraints

Previous attempts to develop new products have tended to focus on too many products at one time. A lesson learned is to focus on a small number of product types and to develop skills in that area.

Local trainers are preferred, but are often not experienced in product development and high-quality presentation.

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Program B2: Domestic Marketing Services

Objective

Increase domestic consumption of local products.

Measures

✓ Value of domestic products sold domestically.

Background

Development of a domestic market is essentially increasing the demand from domestic consumers for locally produced goods and services. The development of a domestic market for local products will help achieve several development objectives for the Marshall Islands including providing income for producers and manufacturers of local goods, reducing the dependence on imports, and improving the health of the community through the consumption of locally-grown healthy foods.

There are various strategies for the development of the domestic market. It is important to ensure that the production and availability of local products grows alongside the demand that this program will generate.

This means increasing agricultural production and also value-added products, and importantly, ensuring that these products have transport to bring them from their place of origin to the market, which will *primarily* be in the urban centers of Majuro and Ebeye.

Strategies

Facilitating Access to Market

- Facilitate the establishment of local Farmers' Markets on Majuro and Ebeye (see Special Program: Farmers' Markets);
- Encourage investment in transportation; and
- Facilitate transportation from outer islands to urban centers through negotiation with transport companies.

Market Research

 Understand the local market through market research; find out why people prefer imported products and respond to that.

Active Promotions

- Hold local "Made in the Marshalls" trade fairs;
- Promote "Be Marshallese.... Buy Marshallese" / " Juon Ri-Majol.... Wia Menin Majol";
- Have all information on products available; and
- Be a role model- have coconuts, local produce featured in all R&D functions.

Trade Policy

- Develop policy and recommendations on pricing of local products; and
- Utilize allowances for "infant industries" and "negative lists" under the Pacific Island Countries Trade Agreement (PICTA) to encourage local industry.

Key Stakeholders and Partners

Local business/ retailers

Farmers, manufacturers, producers

Laura Farmers' Association

Handicrafts Association

Transport operators, AMI, Ministry of T&C

Chambers of Commerce

Forum Secretariat, PIC, PITIC (Aus, NZ)

Activity	Partners	Timing	Responsibility	Outputs/ Measures
Establish data collection for domestic products sold	EPPSO		Trade Promotion Officer	Collected data on value of domestic products sold
Carry out economic assessment of transporting produce from outer islands to urban markets and provide investors with information to facilitate development of transport infrastructure	EPPSO UNESCAP	Yr 1	Trade and Investment Policy Officer	Information provided to transport operators on economics of transport
Design and carry out basic market research to understand consumer preferences		Yr 1 & as required	Trade Promotion Officer	Market research report on selected products
Develop and run "Be Marshallese Buy Marshallese" Campaign			Trade Promotion Officer	Campaign outputs such as brochures, newspaper ads, radio ads and programs, T-shirts, events.
Develop and maintain catalogue or product info sheets of all Marshallese products		Yr 1 & ongoing	Trade Promotion Officer	Up-to-date Catalogue/ Product Info Sheets
Develop and maintain Website with product info as above		Yr 2 & ongoing	Trade Promotion Officer	Up-to-date Website
Develop handicrafts catalogue	UNDP Livelihoods Program	Yr 1 Q1	Trade Promotion Officer	Handicrafts Catalogue
Hold local "Made in the Marshalls" Trade Fair for domestic market		Yr 1 & annually	Deputy Secretary	Fair held annually Satisfaction survey of participants
Establish calendar of international and local conferences to coordinate with marketing events		Yr 1 Q1 & update as required	Trade Promotion Officer	<u></u>

Possible Issues/ Constraints

Lack of experience in market research and survey design.

 $\label{lem:capacity} \mbox{ Capacity for policy development and economic assessment is limited within the Ministry.}$

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Program B3: International Marketing Service

Objective

Increase exports of niche/value-added products.

Measures

- √ Number and type of products being exported;
- ✓ Quantity and value of products being exported; and
- ✓ Profitability of products being exported.

Background

While the development of an export market for Marshallese products has been a priority for R&D, this strategic planning process allowed us to rethink its strategic importance to the Marshall Islands. As a result, the overall emphasis of this plan is on domestic product and market development, and import substitution.

However, it remains that the Marshalls has some unique and important products that require the development of a niche international market. These products currently include handicrafts and Noni juice (and other products made from Noni) and may also include other products over time.

The Marshall's primary exports currently are copra oil and processed fish. The strategic plan for R&D does not focus on fish, leaving fish as the primary responsibility of MIMRA. Copra oil prices have been consistently low and it has not been profitable recently as an export product (once subsidy is taken into account), therefore R&D are redirecting efforts on Copra to maximize value domestically (see *Special Program: Coconut Value Chain Development*).

Strategies

Market Research

- Identify Markets;
- Contact Management ensure that regular and professional contact is maintained with international buyers or potential buyers; and
- Understand the market through market res earch; find out what the market requires in terms of quality, quantity and type of product.

Active Promotions

- Attend international trade fairs; and
- Have all information on products available.

Key Stakeholders and Partners

Local business/ retailers

Manufacturers, producers

Handicrafts Association

Pacific Business Center, UH Honolulu

Key contacts (for example Mary Lou Foley)

Forum Secretariat, PIC, PITIC (Aus, NZ)

Activity	Partners	Timing	Responsibility	Outputs/ Measures
Establish and maintain a database of international buyers or potential buyers		Yr 1 Q1 & Ongoing	Trade Promotion Officer	Database of buyers
Maintain regular communication with international buyers about products via email		Ongoing	Trade Promotion Officer	# of communications to buyers
Develop and maintain catalogue or product info sheets of all Marshallese products		Yr 1 & ongoing	Trade Promotion Officer	Up-to-date Catalogue/ Product Info Sheets
Develop and maintain Website with product info as above		Yr 2 & ongoing	Trade Promotion Officer	Up-to-date Website
Develop handicrafts catalogue	UNDP Livelihoods Program	Yr 1 Q1	Trade Promotion Officer	Handicrafts Catalogue
Attend international trade fairs as appropriate		Ongoing	As appropriate	# of events attended
				# of enquiries/ contacts added to database

Export of products, particularly food stuffs and products for consumption, will only be possible if the RMI meets requirements in terms of food safety, quality assurance and labeling requirements.

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Program B4: Trade Facilitation Services

Objectives

Ensure export products meet international requirements;

Have smooth and efficient export permit processes; and

Facilitate trade by ensuring RMI meets import and export standards.

Measures

Background

Trade Facilitation Services will essentially provide support to manufacturers and exporters in meeting import / export requirements. This will include compliance of manufactured products with international safety standards (Codex Alimentarius and HACCP), iss uance of certificates of origin and streamlining of import and export documentation processes.

Strategies

- Export certificate of origin (Ensure pest list is updated);
- Recruitment or development of a sufficiently skilled person;
- Become a member of Codex Alimentarius;
- Utilize membership of Codex Alimentarius to gain access to training;
- HACCP and Codex Alimentarius training to manufacturers;
- Improve trade documentation, issuing import/ export certificates, certificates of origin; and
- Ensure all necessary information about products is documented. Plans to develop some processed food and medicine products means the Quarantine service will need to develop capacity in HACCP certification to ensure the quality and safety of exported food products.

Key Stakeholders and Partners

Food and Nutrition Task Force (Ministry of Health)

Customs

Transport Operators

MIMRA

FAO

Codex Alimentarius

WHO USDA

Importers/ Exporters

WTO

Activity	Partners	Timing	Responsibility	Outputs/ Measures
Harmonize quarantine regulations with FSM and Palau	FAO and partners in Palau and FSM	Yr 2	Secretary	Quarantine regulations
Recommend to Cabinet that RMI become a member of the Codex Alimentarius	Food & Nutrition Task Force	Yr 1 Q3	Secretary	Recommendation to Cabinet
Develop a national approach to HACCP and Codex Alimentarius compliance for export	Food & Nutrition Task Force	Yr 2	Secretary	Documented national approach outlining roles and responsibilities of different agencies
Ensure pest list is up-to-date (refer also to Program A2)	SPC USDA	Yr 1 Q4	Head Quarantine Officer	Updated Pest List maintained
Create and maintain registry of importers and exporters		Yr 1 Q3	Trade Promotion Officer	Registry of importers and exporters
Improve process of issuing certificates of origin and import/ export permits		Yr 2	Head Quarantine Officer	Clear documented procedures for the issuance of these

This program will need highly qualified people skilled in food safety and quality assurance. The recruitment of such a person may take several years. (See *Program E1: Human Resource Management*).

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Program Area C: Investment and Business Development



C1: Micro-Finance Services

C2: Small to Medium Business Services

C3: Investment Information and Facilitation Services

C4: Trade and Investment Policy

Program C1: Micro-Finance Services

Objective

Encourage economic growth through providing access to small loans and credit, particularly for those in the community who have difficulty accessing current credit facilities.

Measures

- ✓ Number of small loans provided to individuals and credits;
- ✓ Default rate on loans;
- ✓ Total value of loans provided; and
- Economic development on outer islands linked to access to credit.

Background

A key obstacle to the development of income-generating opportunities and small-scale businesses, particularly on the outer islands, is a lack of access to credit. Access to microfinance can enable individuals or families to purchase basic tools and equipment to then generate income, such as tools for farming, small boats for fishing or tools and other equipment.

Various examples of the success of these programs in economic development can be seen around the world, including the famous Grameen bank in Bangladesh.

This program requires considerable attention from the Ministry to facilitate the establishment of a micro-finance facility in the Marshall Islands, that can provide access to outer- island communities in particular.

Strategies

- Investigate possible institutional arrangements for a micro-finance service; and
- Work with key stakeholders to develop an approach to microfinancing.

Key Stakeholders and Partners

Marshall Islands Development Bank (MIDB)
United States Department of Agriculture (USDA)
Small Business Administration (SBA-US)

	Activity	Partners	Timing	Responsibility	Outputs/ Measures
	Investigate and facilitate the establishment of micro-credit facilities in the RMI		Yr 2	Secretary R&D	Micro-credit facility
		it USDA			established
		SBA			
	Facilitate the MIDB to provid commercial loans (i.e. not s by allotments)		Yr 2	Secretary R&D	MIDB provided loans unsecured by salary allotments

Possible Issues/ Constraints

The establishment of a micro-finance facility can not be done directly within the existing institutional structure of the Ministry of R&D, thus the success of this program depends very much on the degree of participation of other stakeholders, including the MIDB.

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Program C2: Small to Medium Business Development

Objectives

Enhance employment growth in the private sector through business creation/ expansion;

Encourage economic growth through sustainable business development; and

Start to promote export-oriented growth through expansion/ diversification of the markets.

Measures

- ✓ Number of jobs created and sustained as a result of SBDC activities;
- Number, type and size of businesses established or developed through SBDC activities; and
- Impact on outer island, low-income or disadvantaged communities.

Background

The Small Business Development Center has been established under a technical assistance program from the US Small Business Administration.

Strategies

- Provide high-quality one-on-one counseling sessions to deliver management and technical assistance to existing and prospective businesses;
- Provide workshops that cover the basics of starting and running a business;
- Identifying business opportunities in the RMI including the areas of:
 - Agriculture
 - o Aquaculture and fisheries
 - Tourism
 - Small-scale m anufacturing
 - Handicrafts
 - o Retail outlets
 - Service industries
- Identify and facilitate access to sources of capital and credit including the MIDB and other banks, and also private investors or business partners- to focus on outer islands or similarly disadvantaged communities;
- Actively network in the business community through the Chamber of Commerce and other business-oriented associations; and
- Leverage agriculture extension visits to outer islands as a way to deliver information about services.

Key Stakeholders and Partners

Small Business Administration (SBA-US)

Pacific Island Small Business Development Center Network (PISBDCN)

Majuro Chamber of Commerce Ebeye Chamber of Commerce

Marshall Islands Development Bank

Pacific Business Center, UH Honolulu

Activity	Partners	Timing	Responsibility	Outputs/ Measures
Develop and maintain a list of business opportunities or areas of market demand		Yr 1 Q2	Director, SBDC	List produced
Assist businesses in obtaining financing through preparation of business plans and loan applications	MIDB	Ongoing	Director, SBDC	# and type of business plans
Develop and distribute calendar of events		Yr 1 Q1	Director, SBDC	Calendar produced
Advertise and promote services and workshops through radio,		Ongoing	Director, SBDC	# of radio announcements
press, associations and directly to clients				# of newspaper articles and announcements
Deliver one-on-one management		Ongoing	Director, SBDC	# of clients
and technical counseling				# of counseling sessions
Sponsor or deliver training workshops in business		Ongoing	Director, SBDC	# of workshops
Provide the Young Entrepreneur Training Course		Twice annually	Director, SBDC	Workshops run
Seek funding from external sources and retain government funding		Ongoing	Director, SBDC	Amount of funding
Establish and maintain information center		Yr 1 Q2	Director, SBDC	Information center established

The main constraint for the SBDC is the access to micro-finance facility for our clients.

Another constraint is the access to the outer islands and their communities . This will require careful planning for travel and should link closely with visits by the Agriculture Extension Officers.

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Program C3: Investment Information and Facilitation Services

Objectives

Increase foreign and domestic investment in the Marshall Islands; and

Facilitate the administrative processes for investment

Measures

- ✓ Amount of foreign investment in the RMI, by business type;

- ✓ # of joint local/ foreign investment partnerships; and
- ✓ Increase in number of queries.

Background

This program is designed to facilitate and promote foreign and domestic investment in the Marshall Islands to achieve greater self-sufficiency, alleviation of poverty, increased employment opportunities and the other social benefits of greater economic activity, such as improved education and health systems.

A focus of this program is to identify and reduce administrative barriers to investment.

Strategies

- Develop economic partnerships between foreign and local companies;
- Develop policies that encourage investment;
- Provide clear, succinct and up-to-date information to investors;
- Streamline investment-related administrative processes;
- Track investment activities through collection and management of information (Info Mgt Strategy);
- Actively promote the Marshall Islands' investment opportunities and investment climate to potential investors;
- Encourage sustainable development by assessing investments for their social, environmental and economic impact (coordinating with RMIEPA and EPPSO);
- Provide assistance in obtaining administrative approvals to investors on an ongoing basis; and
- Develop local awareness of foreign investment.

Key Stakeholders and Partners

EPPSO

Attorney-General's Office

Foreign Investment Advisory Service (FIAS- Australia, World Bank, Forum Secretariat)

Activity	Partners	Timing	Responsibility	Outputs/ Measures
Identify local and foreign potential investors		Yr 1 Q2	Investment Promotion Officer	
Establish and maintain a database or contact management system for potential foreign and local investors		Ongoing	Investment Promotion Officer	Database established
Send information about changes in policy, investment environment or investment opportunities to contacts, as appropriate		Ongoing	Investment Promotion Officer	# and type of communications
Develop clear and concise guidelines for establishing a foreign investment business or a local business	AG	Yr 1 Q2	Investment Promotion Officer	Process reviewed and improved and clear guidelines published
Disseminate information on foreign investments, business license regulations, and other related information for fo reign investors		Ongoing	Investment Promotion Officer	Information communicated
Actively network in the business community through the Chambers	Chamber of Commerce	Ongoing	Investment Promotion Officer	# of Chamber events attended
of Commerce and other business- oriented associations				# of activities arising from networking (i.e. responses to queries)

There needs to be improved collaboration with the AG's office to gather investment data. $\label{eq:collaboration}$

Need to develop a good working relations hip with the Chambers of Commerce.

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Program C4:	Trade and Investment Policy
Objective	Develop Trade and Investment Policies to contribute to the economic development of the RMI.
Measures	✓ Increase in investment in the RMI.
Background	While Trade and Investment Policy is a critical part of private sector development in the RMI, there is limited capacity to carry out effective policy development. The Ministry will need to focus on recruiting, developing and retaining human resources to fill this role.
Strategies	 Solicit technical assistance for policy development from international agencies (listed here as stakeholders);
	 Identify and remove barriers to investment;
	 Identify opportunities to develop Marshallese industry using policy tools (such as trade tariffs) while still complying with necessary trade agreements;
	 Carefully assess the costs and benefits of international trade agreements for the RMI.
Key	UNESCAP
Stakeholders	UNIDO
and Partners	WTO
and Faithers	FIAS/ ADB
	Forum Secretariat
	Customs
	Quarantine

Activity	Partners	Timing	Responsibility	Outputs/ Measures
Identify administrative barriers and			Report identifying	
develop actions to address these	Attorney- General		Investment Policy Officer	barriers and recommendations
		Barriers rem oved		
Establish an investment	EPPSO	Yr 1 Q4	Trade and	Investment committee
committee to discuss investment	AG		Investment Policy	meets on a regular basis
related issues	Chambers		Officer	
	Key Business People			
Revise and publish the National Investment Policy		Depending on policy changes	Trade and Investment Policy Officer	Revised policy document
Establish a process for assessing	EPPSO	Yr 3-5	Trade and	Process documented
the economic, social and environmental sustainability of investments	RMIEPA		Investment Policy Officer	Process implemented
Develop "negative list" and "Infant industries" list for the RMI and recommend policy options to protect these local products (i.e. tariffs)		Yr 1 Q1 & update as required	Trade and Investment Policy Officer	Policy recommendation on "negative" trade list
Develop policy recommendations	IA		Trade and	Recommendations made
for pricing control for domestic products to increase their competitiveness	EPPSO		Investment Policy Officer	to Cabinet on pricing of local products

At the time of writing, the position of Trade and Investment Policy Officer was vacant. There may be difficulty in recruiting a suitably qualified person for this role.

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Program Area D: Energy Services



D1: Outer-Island Electrification

D2: Other Energy Services

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Program D1: Outer-Island Electrification

Objectives

Providing access to electricity in the outer islands in a way which contributes to real economic development of outer island communities.

Measures

- ✓ Number of outer island households with access to electricity; and
- ✓ Impact on quality of life (need measures here).

Background

Access to electricity is important for economic and social development in the Outer Islands of the RMI. This program will develop appropriate strategies for Outer-island electrification, and access to other sources of power such as fuel. The approach requires significant rethinking of electrification strategies up to this point, including the costs, benefits and lessons learned from solar electrification.

The program is strongly supported by SOPAC under the Forum Secretariat. This program also links very strongly with *Special Program 1: Coconut Value Chain Development.*

Strategies

- Careful assessment of needs and uses of outer islands for electricity and development of appropriate electrification strategies;
- Integration with Coconut Value Chain Development Project; and
- Focus on developing fuel sources in the form of coconut oil processed on-island.

Key Stakeholders and Partners

SOPAC MEC

Local Governments
Private sector

Activity	Partners	Timing	Responsibility	Outputs/ Measures
Capacity Building for Energy Planner - attachment to SOPAC, Professional Networking and understanding regional and international sources of assistance	SOPAC	Yr 1 Q2 & ongoing	Energy Planner	Individual has enhanced understanding of energy policy issues and has a network of people and resources regionally
Economic æsessment of Coconut Value Chain & comparison of rural electrification options	SOPAC	Yr 1 Q3	Energy Planner	Report containing economic assessment
Review electrification work to- date on Namdrik and lessons learned- including the impact of the project on poverty alleviation	SOPAC Namdrik LG	Yr 1 Q3	Energy Planner	Report containing review, lessons learned, recommendations
Develop of Outer-Island Electrification Strategy with renewed focus on poverty alleviation	SOPAC	Yr 1 Q4	Energy Planner	Outer-Island Electrification Strategy Document
Establish and maintain inventory of electricity systems and projects on all outer islands	Ministry of Internal Affairs	Yr 1 Q2	Energy Planner	Database of outer-island electricity systems

This program is highly dependent on technical and financial assistance from SOPAC.

It also involves a significant shift in policy away from solar energy and there may be parties with vested interests in this area.

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Program D2: Other Energy Services

Objectives

Provide energy policy development and other energy services in a way that contributes to the social and economic development of the Marshall Islands.

Measures

✓ Production and dissemination of policy documents.

Background

RMI is heavily dependent on imported fuel for its energy supply. Currently, a gallon of gas costs \$3 on island and \$5-\$7 in the outer islands. Preliminary figures show that power generated from copra oil costs around 40 cents/kWh, while solar electricity costs three times this amount, about \$1.20/kWh.

There is a strong need to re-evaluate current fuel pricing policies and other related regulations in order to provide recommendations for policy development.

Strategies

- Policy development and implementation;
- Education and awareness campaigns; and
- Information management to assist in policy development.

Key Stakeholders and Partners

MEC SOPAC

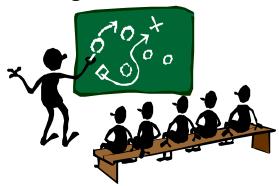
Local Governments
Private sector

#	Activity	Partners	Timing	Responsibility	Outputs/ Measures
	Public awareness campaigns on:	Ag Extension	Yr 1 for materials	Energy Planner	Campaign materials such as brochures,
	Energy EfficiencyPetroleum productssafety	officers	Yr 2 for dissemination		radio spots,
	Investigate and develop policy on vehicle taxes/ duties covering fuel consumption and disposal levy	MoFinance	Yr 2	Energy Planner	Policy recommendation
	Monitor and maintain data on copra oil prices and landed diesel prices, usage statistics and other useful statistics.	Tobolar MEC Mobil EPPSO MoFinance	Yr 1 Q1	Energy Planner	Database of useful statistics, updated
	Develop Fuel Pricing Policy for Majuro and Outer Islands		Yr 2	Energy Planner	Fuel Pricing Policy recommendations to Cabinet
	Review of National Energy Policy		Yr 3	Energy Planner	Revised National Energy Policy

Possible Issues/
Constraints

None identified.

Program Area E: Management and Administration



Goal A motivated, happy and skilled team that develop well-planned activities and achieves its goals.

E1: Human Resource Management

E2: Planning, Measurement and Reporting

E3: Information Management

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Program E1: Human Resource Management

Objectives

Have a documented Staff Performance Management System that is used by all staff;

Personal performance plans and work plans are clearly linked to the Strategic Plan;

Staff and supervisors have skill and comfort in using the system- in developing plans and in giving and receiving feedback; and

A recruitment plan that will ensure the Ministry has the required skills and competencies in the future.

Measures

- Improved staff satisfaction with performance management system (as distinct from the current PSC evaluation system);
- ✓ Improved job satisfaction; and
- ✓ Decreased absenteeism.

Background

The Ministry of R & D recognizes that Capacity-building is about improving the skills and competence of Ministry staff, and that it is also about utilizing the current skills more fully through improved work planning and motivation.

Performance Management is a process by which staff members are able to clarify work objectives and learning is promoted. Skills are developed to contribute to the broader goals of the organization. The aim is to create a work environment that enables and supports employees.

Through explicit processes, negotiation and mutual agreement the organization's goals are more effectively met and staff members are enabled and involved. Individual staff members develop skills and knowledge in identified areas. They are supported in planning for personal and career aspirations.

In the near future the Ministry needs to recruit and retain staff with professional-level skills in Agriculture, Business, Economics and Trade, HACCP or Food Technology and Resource Management.

Strategies

Staff Performance Management System

- Performance management system that focuses on employee development and accountability;
- Development of management skills in coaching, motivating staff, and in managing underperformance; and
- Improving recognition and reward systems, including salaries, but also the supervisors' acknowledgement and praise of staff.

Strategic Recruitment

- Recruiting people with appropriate skills;
- Recommending areas for study to the scholarship board and linking scholarships with internships and jobs upon completion of studies; and
- Providing internships to undergraduate students.

Professional Development

- Screening for training courses; and
- Strong commitment to ongoing professional development of staff through overseas attachments, long-term ex-patriate counterparts and formal study.

Key Stakeholders and Partners

All Ministry staff and management

Scholarship Board

CMI, high s chools, Ministry of Education

All regional and international organizations that can assist with Capacity-building

Activity	Partners	Timing	Responsibility	Outputs/ Measures
Develop guidelines for Performance Management and incorporate into policy		Yr 1 Q1	Secretary	Document describing policies and processes
Develop an Employee Performance Plan for each employee		Yr 1 Q2	Each Supervisor	Plans developed for all employees
Develop a Personal Development Plan for each employee		Yr 1 Q2	Each Supervisor	Personal Development plans developed for all employees
Link performance to salary increases in HR policy	PSC	Yr 2	Secretary	Policy linking performance to salary is documented
Carry out quarterly progress meetings with each employee		Yr 1 Q2 and Ongoing	Each Supervisor	Number of progress and review meetings carried out
Carry out annual review meetings with each employee		Yr 1 Q4 and annually	Each Supervisor	Review meetings for all employees
Review Performance Management System annually			Secretary	System reviewed
Establish appropriate filing system for personnel files- both hard copy and electronic copy		Yr 1 Q1	Chief, Administration	Filing System established and all supervisors trained in using the system
Establish internship and College Work-study program within the Ministry	CMI USP	Yr 1 Q2	Chief, Administration	1 College Work-study and 2 Summer Interns per year
Develop a list of required professional skills for the next 3-10 years, and arrange for scholarships in these areas	Scholarship Board	Yr 1 Q2	Secretary	List of professional skills and scholarships arranged
Visit schools to promote careers with the Ministry of R&D.	Ministry of Education/ Schools	TBD	TBD	# school visits and career days
Actively recruit young people for these scholarships through advertising	Scholarship Board	During scholarship cycle	Secretary	Young people studying the identified professional needs

Human Resource management requires consistent, positive messages from the leadership and ongoing visible commitment.

Formalizing the salary structure depends on cooperation from PSC and is subject to government-wide policies, however, this is an important part of the motivation of employees.

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Program E2: Planning, Measurement and Reporting

Objectives

Develop and maintain a working strategic plan for the Ministry of R&D, that is accepted by staff and stakeholders;

Develop and maintain annual program plans and budgets that clearly correspond to the strategic plan; and

Effectively report against the strategic and annual program plans to key stakeholders, including the requirements for Compact reporting.

Measures

- ✓ Strategic plan published and signed-off by all staff;
- ✓ Program/ operational plans developed for all activities in the current year;
- ✓ Increased focus and satisfaction of staff (qualitative by staff survey); and
- Written program plans that are reviewed and updated annually.

Background

Essential to effective operation of any organization is the development of shared goals and objectives, and the development of plans or "roadmaps" to help achieve those objectives. This document forms one output of the strategic planning process and will be supported by more detailed project and program plans.

It is necessary for the Ministry of R&D to have an ongoing focus on the planning process, monitoring or progress against plans, and the review of plans.

Strategies

- Develop organization-wide skills in strategic and project/ program planning;
- Regular review of plans;
- Have consistent management and Ministerial focus upon the achievement of the plan; and
- Develop skills in performance-based budgeting.

Key Stakeholders and Partners

US D epartment of Interior/ JEMFAC (Performance-Based Budget) EPPSO

Ministry of Finance (Budget Office)

Activity	Partners	Timing	Responsibility	Outputs/ Measures
Develop and sign-off on strategic plan	Consultant	Yr 1 Q1	Secretary	Strategic plan signed- off by all staff and
Review and Sign-off on strategic plan		Yr 1 Q4 & Annually	Secretary	Board members
Develop new strategic plan	Consultant	Year 3 to 5	Secretary	Strategic Plan Document
Develop and maintain annual work plans		Yr 1 Q1	Each Supervisor	Written plans for each department
Develop and maintain annual performance -based budget	Dept.of Interior	According to budget	Secretary Chief.	Performance-based budget submitted
	Consultant	cycle	Administration	
Collect baseline data for each of the measures and targets in the strategic plan	Consultant	Yr 1 Q1	Chief, Administration	Baseline measures for appropriate areas
Review measures and monitoring mechanisms based on availability of data and ease of collection	Consultant	Yr 1 Q2	Secretary	Revised list of measures
Collect measures annually	Consultant	Annually	Chief, Administration	Measures collected and recorded
Report on measures against plan	Consultant	Annually	Chief, Administration	Report on achievements against the plan
Hold weekly department meetings for work planning- every Monday morning		Weekly	Each Supervisor	Weekly work plans and minutes

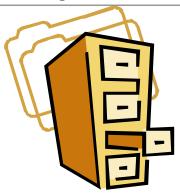
The effectiveness of this program underlies all of the Ministry's work and will depend very much on the continued focus from and attention of the Secretary and the Minister, as well as ongoing support to develop staff planning skills.

As the measures are collected over the first couple of years, they will need to be reviewed as some will be inappropriate or too difficult to quantify.

The success of this program will depend on a shift in measurement focus from financial results towards outcomes and outputs.

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Program E3: Information Management



Objective

Have information managed and easy to access for all employees and others .

Measures

✓ Staff satisfaction with information management (by survey)

Background

Information management is a core organizational process; that is, a basic function of an organization that allows it to achieve its objectives. Information and the management of information is an essential part of organizational capacity, along with Human Resources and Planning and Management. Information management will enable the Ministry and its customers to make informed, information-based decisions.

The implementation of this strategy will involve establishing basic services such as a library and electronic and hard copy filing systems.

Information management is the responsibility of all departments and employees.

Strategies

- Hold reference material and research to meet future needs in decisions and policy development
- Electronic shared file system;
- Upgrading of computer network; and
- Catalogued library of hard-copy resources from all sources.

Key Stakeholders and Partners

Provider of IT services

Activity	Partners	Timing	Responsibility	Outputs/ Measures
Upgrade computer network	Contractor	Yr 1 Q2	Chief, Administration	Computer network in place and functioning
Establish individual email addresses for employees and an internal mail system		Yr 1 Q2		
Set up protocol for file sharing and a shared electronic file management system		Yr 1 Q1	Chief, Administration	File management and document control protocol in place and documented
Set up protocol for hard-copy files, especially for personnel files		Yr 1 Q1	Chief, Administration	
Create functional hard-copy library		Yr 1 Q4		All relevant hard copy publications and documents catalogued in library

There is limited access to IT professionals and training on-island. Funds may need to be reallocated to upgrade the network system. Lack of maintenance of the network.

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Overarching Objectives Impacting R&D

Compact of Free Association as amended

Private Sector Development

Title Two- Economic Relations

Article 1, Section 211 (a) (3) Private Sector Development. United States grant assistance shall be made available in accordance with the strategic framework described in subsection (f) of this section to support the efforts of the Republic of the Marshall Islands to attract foreign investment and increase indigenous business activity by vitalizing the commercial environment, ensuring fair and equitable application of the law, promoting adherence to core labor standards, maintaining progress toward privatization of state-owned and partially state-owned enterprises and engaging in other reforms.

Vision 2018

Vision 2018 is a 15 year strategic development plan for the Marshall Islands that was developed in a consultative process. The following Goals, Objectives and Strategies are those that the Ministry of R&D has identified as being the most relevant to its Mission. The Ministry has attempted to address these strategies where possible, and where they are not addressed this is due to constraints from resources and capacity in the next few years

Goal 2- Enhanced socio-economic self-reliance

Sub-Goal A: Macroeconomic Framework

Objective 1: Developing, diversifying and strengthening our economic base so as to generate maximum feasible self-sustaining level of national income and domestically generated Government revenues.

Strategy:

Enhancing and implementing policies and programs aimed at increasing productivity and efficiency at all levels of the economy including Public Sector, Private Sector, Rural Economy, NGOs and Households.

Objective 3: Achieving a more balanced structure in the economy with a greater reliance on foreign exchange earning/import substitution sector.

Strategies:

Developing foreign exchange earning/ import substitution sector in the economy, including mainly agriculture, fisheries, tourism, manufacturing, IT industries, airspace and seabed potential;

Promoting Oute r Island Development;

Provision of adequate infrastructure services, especially in the outer islands;

Creating a conducive environment for the Private Sector growth including foreign investment particularly aimed at promoting foreign exchange earning/ saving activities;

Promoting Human Resources Development; and

Adopting measures to ensure credit accessibility from the banking sector for small and medium businesses especially in the Outer Islands aimed at export earning/import substitution production.

Objective 4: Ensuring optimal accessibility to opportunities to ensure wider participation of women in the self-reliant and sustainable development process in the country.

Objective 5: Ensuring an acceptable level of equity in the distribution of national income among different income groups, within families and among family members.

Strategies:

Strengthening and implementing policies aimed at raising the income of low-income groups; and

Strengthening and implementing policies and programs directed towards m inimizing the level of unemployment in the economy.

Sub-Goal B: Food Security "To attain food security for all people at all times and to substitute imports to the best extent possible and develop exports"

Sub-Goal B Sector B1: Agriculture

Objective 1: Increase output of local foods and agricultural exports

Strategies

- 1) Establish Farmers Markets in Urban centers;
- 2) Education of people in regard to making healthy choices when purchasing imported food sold in stores and local food preparation;
- 3) Promote and encourage "Home Garden" concept and seedlings of plants and crops that currently grow only on certain atolls be made available at reasonable cost to Outer Island farmers and sharing of seed stock from our biodiversity be encouraged;
- 4) Establish a reliable marketing organizational structure;
- 5) Facilitate easy access by farmers to agricultural tools and extension and research services;
- 6) Review and if appropriate, replicate Enewetak agricultural development model to other Atolls;
- 7) Facilitate availability of credit to farmers;
- 8) Promote growth in agriculture based on comprehensive corporate plans for agricultural diversification and development with emphasis on Outer Islands;
- 9) Implement measures to increase value-added products based on coconut oil such as better quality soap;
- 10) Increase the distribution of goods or manufactured products at the copra processing plant;
- 11) Urge traditional leaders to promote and encourage communities to grow more traditional local foods and also request that they establish partnership with schools in order to revitalize land left idle as a means of encouraging higher production of local food;
- 12) Provide assistance to encourage preservation of traditional foods;
- 13) Diversify agriculture on Outer Islands to generate additional incomes;
- 14) Establish a "Kitok Maro Day" to encourage tree-planting especially those trees that bear fruits and which could also be used for commercial purposes such as handicrafts;
- 15) Assist in developing hydroponics; and
- 17) Assist people in eradicating pests and diseases that infest food crops.

Objective 2: Achieve healthy and balanced diets to minimize both malnutrition and obesity

Objective 3: Increase output of locally processed foods and supplements

Strategies:

- 1) Increase agricultural surplus available for processing;
- 2) Education in food processing technology;
- 3) Encourage small business in food processing;
- 4) Fostering commercial small-agri business at household level;
- 5) Review "Grameen Bank" model and identify its merits for application in the Marshall Islands; and
- 6) Extend the required agriculture infrastructure to Outer Islands.

Objective 4: Increase utilization of idle land

Strategies:

- 1) Rehabilitate and replant coconut plantations;
- 2) Review and grow [appropriate] trees around atolls to keep salt spray out;
- 3) Replant commercially valuable trees and crops needed for handicrafts; and

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4) Consult with traditional leaders and landowners to identify lands for replanting.

Objective 5: Decrease the adverse impact of natural disasters

Strategies:

- 1) Promote crop and livestock management system, which will help alleviate and reduce the adverse impact of, and at the same time facilitate early response; and
- 2) Develop of on emergency response plan and training program to control and eradicate pest and disease outbreaks.

Sector B3: Manufacturing

Objective 1: Enhancing the production and processing of local food and other products for domestic consumption and export.

Strategies:

- 1) Identify markets both domestic and overseas for local products that have the potential;
- 3) To facilitate and promote foreign and domestic involvement in the development of our economy through partnership between foreign and local companies;
- 4) Establish a Product Development Unit within the Ministry of Resources and Development which would focus on the development of product oriented business activities;
- 5) Ensure availability of infrastructure services such as transport, energy, water and communication to facilitate manufacturing especially in selected development sites in the outer islands;
- 6) Ensure availability of skilled labor through appropriate training programs;
- 7) Establish a handicrafts manufacturing center using skilled and renown handicraft producers; and
- 8) Review and increase import duties on those goods that could be produced nationally as an incentive to develop and produce those goods domestically.

Objective 2: Creating an enabling environment for manufacturing activities.

Objective 3: To identify and promote new products.

Goal 3- An Educated People

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

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.

Goal 9- Respecting our culture and traditions

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

Strategy:

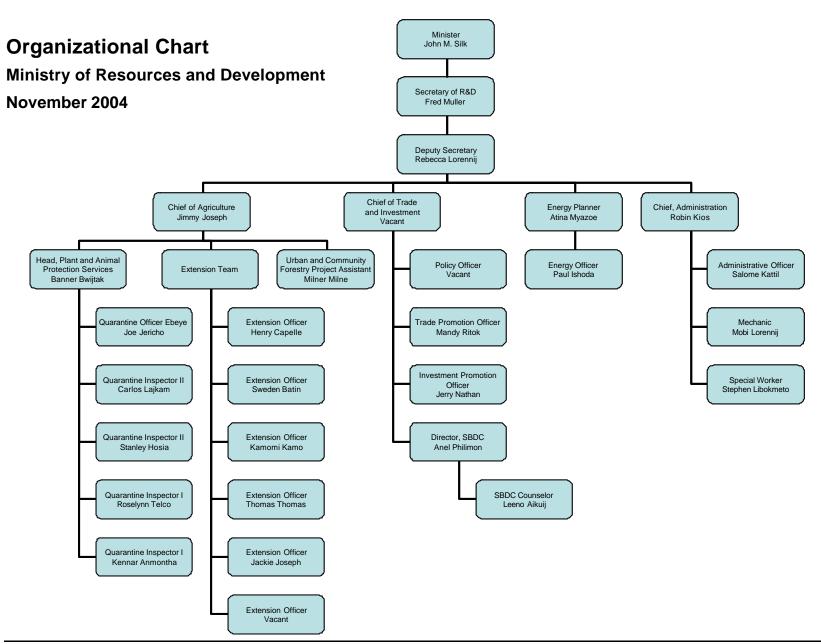
4) Strengthen and preserve our traditional skills especially in agriculture, environmental conservation, and fishing and fisheries management as reinforcements of our identity as Marshallese.

Goal 10: Environmental Sustainability

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.

Strategy:

3) Promote planting of all types of trees to counteract the emerging threats of Global Warming and Sea Level rise



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