This solution is being implemented by the Ministry of Natural Resources, Environment and Tourism of Palau in cooperation with the Palau International Coral Reef Center (PICRC) and other NGOs. It has been awarded the Future Policy Award by the World Future Council.

**SOLUTION**

Palau features the most biologically diverse coral reefs, lagoons, mangroves and seagrass beds in Micronesia. Over the past decades, considerable changes in coral cover on Palau’s coral reefs have been observed, including widespread coral bleaching and coral mortality.

The Palau Protected Areas Network (PAN) Act provides the legal basis to establish a network of protected areas. It empowers communities to designate and manage marine and terrestrial protected areas in cooperation with governments, NGOs and other partners. The act outlines standards, criteria, application processes, technical and sustainable financial assistance for management and monitoring of sites. The Protected Area Network Fund is sourced from visitor fees and directly supports participating local communities. The PAN Act has been recognized as an exemplary policy through the Future Policy Award by the World Future Council.

The communities of Ngarchelong and Kayangel started cooperating in the early 1990s on conservation and resource management. In 2012, they joined the Palau Protected Areas Network (PAN) to improve management and enforcement of their protected areas.

Chief Uorchetei Victor Joseph of Ngarchelong:

“Our land areas are small, so our livelihoods must extend to the sea and we need to ensure resources continue to be abundant. Stewardship begins with us, and PAN is our major enabler.”

Chief Rdechor of Kayangel:

“Traditionally we used to cooperate. With this renewed cooperation, made possible by PAN, we have the opportunity to solve many issues facing us, especially, in dealing with climate change, sea level rise and coral threats and fish declines that undermines our livelihoods.”

**Protected Area Network (PAN)**

The designation of protected areas to become part of a nationwide network follows clear criteria, categories and application procedures.

**Adaptive and participatory locally based management**

Communities develop management plans and monitoring protocols, based on scientific baseline and monitoring data. Enforcement mechanisms for protected areas are established.

**Capacity building for protected area management**

State governments and local communities are trained in scientific surveying, site preservation plans, sustainable use practices, educating the public about preservation and protected areas.

**Green Fees**

The Protected Area Network Fund (PANF) was created to support management and monitoring of the network’s protected areas. The “resource-user pays” principle was applied to establish a “Green Fee” for tourists. Complementary funds from other donors are acquired.

**Solution components for replication**

- **Protected Area Network (PAN)**
- **Adaptive and participatory locally based management**
- **Capacity building for protected area management**
- **Green Fees**