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Country Report of the Republic of Palau
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Mr. Chairman,
Honorable Members of Parliaments,
& Distinguished Delegates

On behalf of the Republic of Palau, I would like to present to you our country report on the theme of "Climate Change and Tourism".

The Republic of Palau is a small island nation in the Northern Pacific Ocean. It is the westernmost island group of the western Caroline Islands, situated approximately 500 miles southeast of the Republic of the Philippines, and makes up the westernmost boundary of Micronesia. It is an archipelagic state with a total land area of 535 square kilometers distributed over 586 islands, of which, only 12 islands are regularly inhabited. The island of Babeldaob is the second-largest island in Micronesia, and it has 10 of the 16 states of Palau, including the national capitol located in the state of Melekeok. The state of Koror is made up of three main islands interconnected by causeways and bridges; approximately two-thirds of Palau's total population of over 20,000 people resides there. There are 5 outlying states that are separated from Koror and Babeldaob: these states are Kayangel, Peleliu, Angaur, Hatohobei, and Sonsorol.

The tourism industry is one of the main industries driving the local economy. For small island economies, Palau has the second highest number of visitors per capita with arrivals of over 80,000 tourists annually, which has been steadily increasing and is expected to reach 100,000 by 2013. Year to date statistics for April 2011 show a 19% increase in tourist arrivals compared to April 2010 year to date statistics. Our top visitors include tourists from Japan, Taiwan, Korea, North America, and Europe. Other potential markets include Australia, China, Hong Kong, and Russia. Palau's

In regards to the effects of ocean warming, Palau has experienced similar variations in ocean temperatures and its impact on the marine ecosystem and its tourism sector. One such example of climate variations in the Republic of Palau was during the El Niño of 1997-1998. It caused widespread droughts across Palau, with sea surface temperatures reaching 30 degrees Celsius. The exposure of the reefs to unusually high seawater temperatures over a period of only three months led to massive coral bleaching throughout the archipelago, and as a result, over a third of Palau's coral reefs were lost to coral bleaching. This effected many species of corals and led to widespread coral mortality. In addition, severe droughts were experienced on island and the water supply was in critical condition. The economic cost of this event in relation to the loss of tourism was estimated at a 3.3% reduction in GDP.

The Republic of Palau has engaged in several projects and activities with focus to mitigate and adapt to Climate Change effects that have devastated many areas and communities around Palau. As have been seen in the past few years, many coastal communities have been affected by the sea level rise. The rise in the sea level, that have been seen happening in many coastal communities, is the reason of salt water intrusion into low lying farm land in many part of coastal communities around this country. For the tourism industry, this could mean millions of dollars in damages to infrastructure as well as resulting revenue loss. Moreover, changes in weather patterns, not only affected other parts of the region, but have affected Palau's ability to maintain sustainable and reliable food and water source. This will affect Palau's ability in sustaining its tourism industry.

Palau took measures to mitigate and find ways to adapt to the unprecedented effects of Climate Changes. Since 2007 to date, there are a total of eight projects that have been undertaken by Palau to cope with the drastic changes and challenges that many communities in this country are facing each day caused by climate change. Three of these projects focused on sustainable clean energy sources (solar), two focused on food security [Pacific Adaptation to Climate Change (PACC)], one focused on sustainable water sources and the last two focused on Persistent Organic Pollutants (POPs). In addition, Palau developed a medium term development strategy with the

tourism industry is mainly ecotourism and accounts for roughly half of Palau's GDP.

Palau is renowned by tourists for its marine diversity. Tourists travel to Palau because of the clean healthy environment, corals, and fish diversity, turtles and other marine life. Main tourist activities are diving, snorkeling, kayaking, sports fishing, and rock island excursions. With the completion of the Compact Road on the island of Babeldaob, the cultural and historical sites there have become easily accessible and there has been a steady growth in that area for tourism. Active preservation efforts by government and non government organizations have helped in ensuring the healthy well being of the environment.

Palau's main tourist attractions are the beautiful Rock Islands and its magnificent reefs. The rock islands are limestone islands spread out over 23 miles between Koror and Peleliu. A number of these islands are surrounded by long stretches of sandy white beach and shallow reef flats that are ideal for snorkeling. Palau also possesses some of the most diverse coral reefs in the world which have made Palau as a premier destination for world class diving and snorkeling. The barrier reefs surrounding the islands with steep drop-offs, platform and patch reefs scattered throughout the lagoons, and fringing reefs that line the coast of the islands support a thriving marine ecosystem with a rich variety of marine life consisting of several hundreds of species of corals, thousands of species of fish, sea turtles, and other marine animals. Palau's rich and diverse marine ecosystem is noted as being one of the Seven Underwater Wonders of the World.

Palau's tourism industry is heavily reliant upon the wellbeing of the island's natural resources and is vulnerable to the adverse impacts of global warming and sea level rise. Almost 25 percent of Palau's land mass lies within ten meters above sea level. A massive increase in sea level rise will cause damages to public infrastructure, seaside resorts, and other establishments. Damages will cost millions of dollars not including the loss of revenue from the expected decrease in tourist arrivals if such events occur.

support and assistance of the Facility for Economic and Infrastructure Management (FEIM) and the Asian Development Bank which sets out key strategies and plans over achieve development objectives in certain areas of national importance, including tourism.

Addressing the issue at hand is of vital importance to the Republic of Palau as the adverse effects of climate change will deeply impact our tourism industry and our small island economy, thus affecting the livelihood of our people. Even with Palau's mitigation and adaptation to the effects of climate change underway, the result of our efforts may be jeopardized if conditions worsen. Palau remains vulnerable to the impacts of climate change as global warming and sea level rise are beyond our control. Therefore, the Republic of Palau urges all APPCED member countries to continue supporting and strengthening commitments to mitigation efforts to the adverse effects of climate change, so that small island nations like the Republic of Palau will not be as vulnerable to the global impact of climate change.

Thank you.