

**Tufts University Seminar 2022**

Climate Change: “Code Red” for Humanity

**Briefing Paper: Committee on Palau**

**Committee Members**

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## **Introduction**

### **Representatives: Raihana Rahman & Talia Shaw**

We pledge to do our part in limiting the effects of climate change, but we need you, the international community, to do your part as well. As a small island nation, we are greatly suffering due to the actions of much larger nations. Increasing temperatures, rising sea levels, coral bleaching, food insecurity, and threats to infrastructure and safety are some of the dozens of issues that we as a nation lack the resources to fully address. Most of Palau's citizens live, work, and farm in low-lying areas which are now being threatened by a rise in sea levels. People are forced to flee their homes, which results in a loss of our culture. Large, industrialized powers must take swift action to limit further global warming in order to ensure not only our survival, but the survival of the world.

In order to protect our children's futures, we call on the rest of the world to adopt our Palau Pledge in your own communities, which states, "I take this pledge, as your guest, to preserve and protect your beautiful and unique island home." We call on you to take action, to reduce emissions drastically, to save Palauns from displacement, to rescue oceans from catastrophic changes, to listen to the needs of Palau, and to preserve the Earth we are fortunate to call our home.

### **Key Points**

- We are disproportionately affected by climate change, affecting agriculture, food security, migration, and the economy. We stand with the Commission of Small Island States (COSIS) in enforcing that "the polluter should pay," as larger nations are responsible for the severity of change we are facing. We need increased climate funding to face the pressing effects of environmental change.

- Palau is vulnerable to life-threatening and extreme weather conditions such as typhoons, tropical storms, and rising sea levels. If climate change continues without any significant intervention Palau will become uninhabitable and eventually sink.
- In order to mitigate the effects of climate change, we, as well as larger nations, must reduce energy sector emissions, become more energy efficient, and use more renewable sources of energy. We need external funding in order to meet our own energy goals.
- To protect the livelihood of Palauans that are emigrating to safer nations it is necessary to create free-movement agreements with these larger nations.
- Palau's economy is heavily dependent on tourism, and climate change threatens to take away the natural beauty that draws visitors.
- As a small island-state, our sovereignty is threatened by the political and economic infiltration of China.

## **Background**

Palau is a tropical nation located in the Western Pacific Ocean with a population of about 18,233 people. It is made up of 340 islands, with a total surface area the size of France, of which nine are permanently populated. There is one large reef structure where 95% of the islands and over 90% of the population is located. Within this area are Palau's three biggest islands, Babeldaob, Peleliu, and Koror. Palau's economy is mostly composed of tourism, subsistence agriculture, and fishing. The main aspects of its services sector include government administration and trade. Palau imports more than it exports, and the U.S. provides grants to finance these gaps. Its currency is the American dollar.

Humans first inhabited Palau's islands nearly 3,000 years ago, with people traveling from Indonesia, the Philippines, Micronesia, and New Guinea to settle on the islands. Spain began

occupying the islands in the 1700s, and after the Spanish-American War, sold the islands to Germany. Following the Second World War, the United States transferred control of Palau to Japan. Because of the many different transfers of control over the islands, Palauans have become protective of their identity and community. As a part of the United Nations Trust Territories in 1947, the United States took official control of the islands. In 1978, the nation petitioned for independent status and approved a constitution. The Republic of Palau was established in 1981, and a Compact of Free Association with the United States in the following year. Under this agreement, the United States has agreed to provide financial assistance to Palau, which has extended to visa-free travel and military assistance.

Due to Palau's location, it is very vulnerable to climate change, particularly rising sea levels and an increase in extreme weather events, which include droughts, floods, and Category 4 and 5 typhoons. In recent years, climate change has directly resulted in Palau's entrance into the Typhoon Belt, leading to flooding from high tides and bleached coral from abnormally warm seas. A rise in sea levels threatens important infrastructure that supports Palau's population. Additionally, climate change will affect Palau's water resources, which will negatively impact both subsistence and commercial agriculture. Finally, as ocean warming and acidification damage Palau's coral reefs, fisheries, and marine resources in general, Palau's economy and culture will also be adversely affected. The Republic of Palau's former president, H.E. Mr. Tommy E. Remengesau Jr., stated in 2015 that "as an island nation we are literally on the frontlines of climate change. Never before in the history of our islands and humanity have we faced a bigger and more universal threat. Climate change has negatively impacted our resources, infrastructure and livelihoods - not once, but several times in recent years. Our continuity and future existence as a people are now at the mercy of climate change."

**Committee on Global Governance**  
**Representative: Avery Levinson**

**Government**

- Palau is a presidential representative democratic republic with a Compact of Free Association with the United States. Presidential elections are held every four years. The president works in accordance with his/her Cabinet, including seven ministers and a vice president who runs on a separate ticket. Palau has never had political parties, and it is important to note that this lack of political division is not influenced by a law preventing party formation.
- Palau's defense is entirely in the hands of the United States as Palau does not have its own military. Under the mutually beneficial Compact of Free Association, Palau receives financial aid and defense from the United States. In return, the United States can have a military presence in Palau.

**Political and Social Rights**

- The Council of Chiefs assists the President in preserving Palau's traditional laws and customs and upholding the Constitution of the Republic of Palau.
- Palauan social and political civil liberties and rights have generally been upheld.
- Women and members of minority groups are not limited under the law in politics, but women are under-represented in high leadership positions. Palau ensures there is equality in health care, education, employment, and other areas, for children with disabilities as well as girls.
- Discrimination in regards to sexual orientation and gender identity is strictly prohibited.
- Non-Palauan children have equal rights to those of Palauan parentage.
- Abortion is illegal in all cases.

## **Palau and the United Nations**

- Palau joined the United Nations in 2008.
- Palau strives to help the United Nations ensure global peace for all citizens. Additionally, Palau hopes to protect its environment and improve its economy so that future generations will be able to enjoy the beauty and serenity of its islands.
- The United Nations Pacific Strategy 2018-2022 (UNPS) helps Palau and 13 other Pacific Island Countries and Territories with sustainable development. UNPS has worked to address climate change, disaster resiliency, gender equality, sustainable economic empowerment, equitable basic services, governance and community engagement, and human rights in these small and vulnerable developing states.

## **Climate Change**

- Climate change has ravaged Palau as coral bleaching events, catastrophic storms, typhoons, and saltwater intrusion into freshwater sources occur more frequently, the air temperature is increasing, and sea levels are rising.
- There are three major efforts that Palau enacted to contend with climate change:
  - In 2015, Palau enacted the Palau Climate Change Policy For Climate and Disaster-Resilient Low Emissions Development. The main objective of this policy is to increase resilience to the inevitably worsening climate change this island would face. To accomplish this, Palau would work to maximize energy efficiency, minimize greenhouse gas emissions, and improve adaptation and disaster resilience including the creation of infrastructure and waste management tactics.
  - In 2017, the children of Palau, recognizing the harmful impact tourism has on the environment, strove to prioritize ecotourism. Palau has a tourism-dependent

economy so it was essential that the Palauan children figure out how to continue this source of revenue while simultaneously protecting their islands. They created the Palau Pledge which is an immigration law that requires every person on an inbound flight to Palau to sign an agreement stating that they will act responsibly and in an environmentally friendly manner throughout their visit.

- Coral bleaching, the event by which coral deteriorates and therefore limits biodiversity and ecosystem stability, is one of the most significant impacts of climate change in Palau. Palau has worked to limit coral deterioration due to non-climate change sources to reduce the effect coral bleaching has. To do this, Palau banned destructive fishing practices that harm the ocean floor and ecosystems.

### **Engagement With Issues Around Climate Change on the Global Stage**

- In 2015, Palau established a marine sanctuary spanning about 80% of their ocean territory to prevent extractive practices such as fishing and mining. In 2021, at COP 26 President Whipps highlighted the importance of protecting the oceans and advocated for the United Nations Framework Convention on Climate Change to further integrate the oceans into their initiatives.
- At COP26, President Whipps also stressed the importance of industrialized nations increasing their support for developing countries in regards to the changing climate. Palau believes that larger emitters should be held accountable for their actions and pay for the damage they have ignited on the small island states and the globe.

### **Committee on Migration**

**Representative: Raihana Rahman**

## **Population and Geographical Information**

- Foreign nationals make up one-third of Palau's population, many of whom become domestic workers. In 2013, nearly 4,300 people immigrated to Palau from China, the Philippines, the Federated States of Micronesia, and Guam.
- This accounts for two-fifths of the nation's paid workers, working primarily in Palau's agriculture, hotel, restaurant, and garment manufacturing industries. Many of these workers lack job security and minimum wage protection.
- Palau lacks asylum-related legislation because there are very few refugees and asylum seekers to the nation. Palau is, however, geographically located near nations that do receive many asylum seekers and migrants, such as the Philippines, Indonesia, and the Federated States of Micronesia.

## **Historical View on Migration**

- Because Palau is a nation born from seatravel, there is a positive view of migration immigrants searching for work are welcomed.
- Some Palauans refer to Filipinos as "people of the knife," a demonstration of tension between the two groups. There is also alleged mistreatment of migrant workers, specifically Filipino workers, however that antagonism has since decreased due to the construction of the Filipino Embassy in Koror.
- In Palau, there are certain immigrant groups that live in separated communities, such as the Filipino community.

## **Palauan Citizenship**

- To be a citizen, one must be born to at least one parent that is a Palauan national or is legally recognized as having Palauan ancestry.

- After hundreds of years of colonization, unrestricted permanent entry by non-citizens is limited in order to protect the Palauan identity.
- Only Palauan citizens have the right to own land.

### **Emigration**

- There are more emigrants than immigrants from Palau. In 2013, over 5,300 people from Palau emigrated to the United States, Guam, the Northern Mariana Islands, Vietnam, and the Federated States of Micronesia.
- One reason for Palau's emigration is the pursuit of higher education. There are only two higher education institutions in Palau, and those pursuing higher education often leave to enroll in institutions in the United States, Germany, Japan, Australia, and New Zealand. This accounts for forty-two emigrants.
- A more concerning reason for emigration is the increasing threat of climate change. Palau has few resources to combat climate change since it is a nation that is small in size and lacks industrial development.
- This has larger implications for lack of job security, physical instability, and threat to cultural identity that will inevitably increase as the islands of Palau are slowly lost as sea levels rise.
- Although Palauans can legally enter the United States and work without a visa, they are currently limited in the amount of protections afforded to them. Palauans in the United States are not eligible for Medicare or government benefits, and many workers are exploited, especially as laborers in slaughterhouses.

- There is a significant gap in the protections afforded to Palauans fleeing from the threat of climate change, and it is necessary for nations to recognize these Palauans as refugees from the climate crisis to address this gap.

### **Climate Refugees**

- Although there isn't a specific instigator, which is necessary to claim asylum, it is inhumane to ask Palauans to return to a sinking nation susceptible to natural disasters since their livelihood is negatively impacted, which is why climate refugees should be recognized as an official classification.
- To address this gap, one possible solution, which requires the cooperation of the global community, is to create free-movement agreements so that Palauans can freely move between Palau and nations that are better protected from climate change, find stable jobs, and create a livelihood with the intention of eventually returning to their homeland.

### **Committee on Security**

**Representative: Akshay Shivdasani**

#### **Indo-Pacific Security**

- In 2015, the possibility of Chinese money laundering in Palau was widely discussed, as an influx of Chinese investments to acquire land and property for decade-long leases were abandoned only a couple years later.
- During the 2020 Palau presidential election, it was believed that vice president and presidential candidate Raynold Oilouch, who openly wishes to establish diplomatic ties with China, was being bribed by China to promote and help enable their political and economic infiltration into Palau.

- An influx of Chinese money in Palau has led to an increase of illegal online gambling operations, resulting in the arrest of 150 Chinese nationals in 2020 and 60 Chinese citizens in 2021, with alleged links of these operations to a Palauan senator.
- Palau is facing great pressure from international organized crime, specifically from crime syndicates within China, with former President Tommy Remengesau Jr. shaking hands with the leader of the Macau 14K triad, Wan Kuok Koi, who has leased Palau's Angaur Island for 99 years and developed a casino resort there. It is likely that Angaur island will become a "new breeding ground for cybercrime and money laundering."
- United States government officials have warned that Angaur Island could become a future base for the Chinese Liberation Army, which has been steadily building a military presence in the South China Sea.

### **Palau's Involvement in International Organizations**

- The Commission of Small Island States (COSIS)
  - Palau believes that "big polluter" nations are behind in their response to climate change, and has joined the Commission of Small Island States (COSIS) to help "enforce the principle that the polluter should pay for climate impacts."
  - Palau has suffered from two major typhoons, Super Typhoon Haiyan (November 6, 2013) and Typhoon Surigae (April 13, 2021), which have resulted in the loss of more than 50% of Palau's Gross Domestic Product. This is in spite of the fact that Pacific small-island nation-states are responsible for only 0.03% of global greenhouse gas emissions.

- COSIS hopes to bring the case of island nations to the United Nations International Tribunal for the Law of the Sea to hold polluters legally accountable under international law.
- The Compact of Free Association
  - After gaining independence in 1994, Palau entered into a 50-year commitment with the United States: The Compact of Free Association.
  - Under this compact, the United States provides economic and military assistance to Palau, Palauan citizens have access to the United States, and in return, the United States has unlimited access to Palau's land and seas for strategic military reasons.

### **Impact of the COVID-19 Pandemic**

- Palau has one of the highest COVID-19 vaccination rates in the world with as of August 2021, over 84% of its population fully vaccinated and only 6 COVID-19 related deaths
- A result of the COVID-19 pandemic was the establishment of a “travel bubble” between Palau and Taiwan, further established diplomatic relationships between the two nations, and a move against China’s claim on Taiwan’s sovereignty.

### **Reliance on Energy**

- In the past, Palau relied on diesel from mainland nations, an expensive process that forced the reliance of Palau on nations such as Guam and Singapore for imported fuel.
- In 2018, Palau decided to overhaul its power supply system with a microgrid in alliance with Engie EPS, with the long-term future goal to become 100% reliant on renewable energy.

- Currently, Palau has committed to generating 45% of its energy from renewable sources by 2025, alleviating the strenuous reliance it has on fossil fuels and expensive imports from other nations.

## **Committee on Energy**

**Representative: Talia Shaw**

### **Overview of Palau's Energy Industry**

- Palau currently relies heavily on expensive imported diesel fuel in order to generate power. In 2020, 97.5% of electricity was generated from diesel and the other 2.5% was generated from solar. This reliance on imported fossil fuels leaves the country vulnerable to high electricity prices, global oil price fluctuations, and potential supply issues.
  - In 2019, Palau imported \$16.3 million of refined petroleum from countries such as South Korea, China, and Turkey. This accounted for 16% of its total imports.
- In 2020, 9.6% of Palau's GDP was spent on fuel imports. The residential sector consumed 32.5% of energy, the commercial sector consumed 37.6%, the state governments consumed 5%, and the Republic of Palau consumed 24.9%.
- In 2020, 100% of the population had access to electricity.
- In 2020, 18.2% of energy was lost during transmission and distribution.
- Palau Public Utilities Corporation (PPUC) is a state-owned corporation that controls and operates the electricity generation and distribution systems of Palau.
- Palau's total emissions do not have an impact on the world stage due to its small population size.

### **Energy Plans and Targets**

- In July of 2010, the National Energy Policy (NEP) was passed. Goals of the NEP included increased energy efficiency and the promotion of renewable energy, as well as an overall reduction in national energy consumption.
  - To become more energy efficient, Palau planned to amend taxes and policies in order to encourage the use of appliances, vehicles, and boats with the greatest energy efficiency and to create energy efficiency standards for construction.
- In 2015, Palau released its Intended Nationally Determined Contribution (INDC) to a new climate agreement under the United Nations Framework Convention on Climate Change (UNFCCC).
  - The INDC targets included reducing energy sector emissions by 22% from 2005 levels by 2025, generating 45% of its electricity from renewable sources by 2025, and a 35% energy efficiency target by 2025.
- In the Palau Climate Change Policy from 2015, the Government of Palau laid out its priorities and the interventions it planned to take to combat climate change.
  - In order to minimize its greenhouse gas emissions, Palau planned to maximize energy efficiency, reduce its emissions, and protect carbon sinks. To reduce overall energy consumption and increase the amount of renewable energy, Palau planned to promote energy efficiency in both the public and private sectors, improve energy efficient transport, institute national efficiency standards for electrical appliances, and research and then decide what the most viable renewable energy options were.

- Palau’s tourism industry is vital to its economy, but it greatly relies on fossil fuels. The Palau Carbon Neutral Destination Program was designed to help Palau become the world’s first carbon neutral tourism destination.

### **Palau’s Progress**

- Palau began trying to generate renewable energy in the 1980s with solar, wind, and biomass technologies. Solar was the most successful and is what is being expanded today.
  - Growing Palau’s renewable energy market will reduce its high dependency on imported fossil fuels, making Palau more energy secure while simultaneously mitigating the effects of climate change.
- As a member of the United Nations, Palau, along with all other UN Member States, is contributing to the United Nations Sustainable Development Goals (SDGs). SDG 7 is Energy For All and focuses on ensuring “access to affordable, reliable, sustainable and modern energy for all.” Of the five SDG 7 targets, Palau has tackled three of them. Palau has achieved SDG 7.1: universal access to modern energy. Progress has been slower in working towards SDG 7.2: increase share of renewable energy, but small solar projects have taken place due to external financial support. Finally, Palau has made a lot of progress towards SDG 7.3: doubling energy efficiency. For example, fuel imports dropped from \$54.956 million in the 2014 fiscal year to \$30.565 million in the 2017 fiscal year.

### **External Assistance**

- In order to carry out Palau’s proposed energy measures and policies, Palau needs external funding and technology support.

- The U.S. Department of Energy's National Renewable Energy Laboratory (NREL) provides Palau with advice and technical assistance. For example, NREL helped to determine where Palau could implement wind and solar energy and in 2015 helped put together Palau's INDC.
- Palau is a part of the Energy Transition Initiative, where the U.S. Department of Energy, along with its partners, assists others in the transition to a clean energy economy that relies much less on fossil fuels by providing plans, counseling, and resources.
- The Asian Development Bank (ADB) has invested \$8 million in Palau's energy sector from 2007 to 2020 through two programs. The first will help improve how the PPUC manages its finances and will support tariff reforms that will result in increased financial resources that are needed to improve Palau's energy infrastructure. The second project aims to lessen the vulnerability of Palau's infrastructure to climate change and disaster risks, implement energy efficiency upgrades, and increase the amount of rooftop solar systems.
- Palau is a part of the group of Small Island Developing States (SIDS) and is also a member state of the Alliance of Small Island States (AOSIS). At COP26, The International Renewable Energy Agency (IRENA) and the Alliance of Small Island States (AOSIS) signed an agreement in which the two agreed to work together to help finance climate projects and to assist in the adaptation of renewable energy in SIDS. Through the SIDS Lighthouse Initiative (LHI), the goal of which is to help support SIDS make the switch from fossil fuel dependent energy systems to a resilient renewable energy-based system, these two organizations also committed to installing 10GW of renewable energy capacity in all SIDS by 2030.

**Committee on Food and Agriculture**  
**Representative: Dani Levine**

**Food Economy in Palau**

- The main agricultural activity in Palau is subsistence farming. The main crops grown in Palau include taro, tapioca, tropical fruits, and vegetables.
- In the past, Palau has both imported and exported foods. In recent years, due to the changing climate, Palau has shifted away from being a food exporter and is primarily a food importer. An estimated 81%-84% of food consumed is imported. Much of Palau's food is imported from the United States, Japan, Taiwan, Australia, and New Zealand.
  - Palau's severe dependence on imported goods as their main food source puts the country in a vulnerable economic position. It is very likely that the price of imported foods will increase due to climate change. If the prices increase enough, it could impact Palau's food security.
- Agriculture is one of the key economic sectors in Palau along with tourism and fishing. As production has slowed because of climate change related issues, agriculture has contributed less to Palau's economy than it has in recent years. Agriculture contributed to only 1.4% of Palau's Gross Domestic Product (GDP) in 2014, dropping from 4.9% in 2009, 2010 & 2011.

**Effects of Extreme Weather on the Food and Agriculture Industry in Palau**

- Farms and agro forests have already been impacted by soil erosion, flooding, drought, wind, diseases, and pests. Climate change is expected to exacerbate these issues. For example, higher temperatures and changing rainfall will lead to increased pest and disease problems.

- Increased rainfall intensity will lead to increased flooding, damage to crops, and increased runoff into coastal waters.
- A wetter and hotter climate would also be fit for different pests and diseases that the crops, like bananas, are not resistant to. The introduction of new species to a region would impact agricultural production.
- Palau is expected to experience a 0.8°C sea surface temperature increase by 2030 and sea surface temperatures will continue to rise. As a result, Palau's coral reefs are at risk for coral bleaching and diseases. Additionally, as CO<sub>2</sub> emissions continue to rise, oceans in Palau will experience ocean acidification. Both of these stressors combined with erosion and sedimentation are threatening the coral reefs and the species that they support. Palau's annual catch has already decreased in recent years, and it is expected to drop an additional 25% by 2050 due to climate change.
  - Fishing is a crucial industry in terms of food security for Palau. Wild reef fish alone are estimated to make up more than 50% of the local diets of the Palauan people.
    - When local fish supplies began to decline, Palauans responded by restricting fishing practices and banned fishing entirely from certain areas. As a result, protected fish populations soon became so healthy, they split over into areas open to fishing. "No fish zones" have increased the catch of the local fishermen and allowed the reefs to recover.
  - Reduced availability of seafood due to climate change could result in a public health crisis. With a reduced supply of nutritious seafood, many people may turn to eating more processed food, such as canned meat. Processed food is already

popular in Palau and is a major contributor to the country's rising levels of obesity and diet-related conditions.

- As local agriculture and fisheries continue to be threatened by climate change, community members will become unable to conduct traditional food production activities which reduces social interactions and poses a risk to Palauan society and culture.

### **Committee on Justice and Human Rights**

**Representative:** [Halia Frishman](#)

### **Palau's Relationship with Fossil Fuels**

- Palau does not benefit directly from developing fossil fuels. However, they benefit from the production of fossil fuels in other nations as they are almost entirely dependent on imported fossil fuels as a source of energy. As a result, Palau is economically vulnerable to fluctuations in oil prices.
- Palau is predominantly dependent on imported fossil fuels as a source of energy. More than 99.7% of the island's electricity is generated by imported fossil fuels.
- Palau's meager population of 18,000 makes them an extremely small contributor to international greenhouse gas emissions.

### **How Palau Has Worked to Mitigate Climate Change**

- Palau has participated in many efforts to mitigate despite being a small contributor.
- Palau has a National Energy Policy (NEP) that calls for increased energy efficiency, renewable energy, and a significant hydrocarbon sector.

- Palau started the development of solar panels and renewable energy in the 1980s and now has large solar panels installed on many parts of the islands.
- Palau is also a member of the Alliance of Small Island States (AOSIS), which encourages many climate change initiatives and policies. One example of this is the Marrakesh Partnership which supports the implementation of the Paris Accord and promotes collaboration between governments and large corporations to combat climate change.

### **The Debt Owed to Nations Impacted by Climate Change**

- There is a debt owed to Palau, and other members of the Alliance of Small Island States as they will be severely impacted by climate change but have not significantly contributed to it.
- Small island nations contribute less than 1% of global emissions.
- It is because of large emitters, like the U.S. and China, that nations like Palau are suffering. To leave small nations to carry the burden of climate change without proper aid and compensation would be unethical and immoral.
- Climate change threatens Palau's inhabitants and their economic resources. Low-lying coastal infrastructure will be destroyed and Palau will also lose the ocean ecosystem as a source of income.
- SIDS, like Palau, already suffer from economic debt. Because tourism is a major source of income, they were hit hard economically by the COVID-19 pandemic. Additionally, SIDS are largely dependent on other nations for imported goods. SIDS cannot afford to fund climate change adaptation programs on their own, but they desperately need them.

- In addition to straight-up economic aid for climate change adaptation and risk reduction, debt-for-climate swaps would also benefit countries like Palau. Debt swaps relieve countries of external debt, so they can fund eco-friendly projects.

### **Palau and Climate Refugee Status**

- As conditions worsen, small islands will become uninhabitable. It is the responsibility of large emitters, who are also economically powerful nations, to find new homes and protection for climate refugees.
- The entire population of Palau will become climate refugees if the planet continues to warm. Palau will become a perilous place to live before it eventually sinks entirely.
- The definition of a refugee is “a person who has been forced to leave their country in order to escape war, persecution, or natural disaster.” Palauans will most certainly be forced to leave their homes. While climate change is technically not a “natural disaster,” it will cause extreme weather events.
- As large emitters contribute to rising temperatures, they are also contributing to the displacement of Palauans. To not mitigate the effects of climate change or reduce emissions is “declaring war” on SIDS and Palau. Therefore, when Palau becomes a dangerous place to live, inhabitants should ethically be considered refugees and taken in by other nations not yet affected as intensely by climate change.

### **Committee on Economic Development**

**Representative: Douglas Friedman**

### **The State of the Palauan Economy**

- The current state of the Palauan economy is very troubling. The National GDP has decreased every year since 2016. The COVID-19 pandemic has negatively impacted the national economy due to its impact on the tourism industry.
- Tourism is the primary economic strength of Palau. In the first quarter of fiscal year 2020, there was a 30% increase in tourism, yet due to the start of the global pandemic, at the conclusion of the fiscal year, there was a 51% decrease from the previous year in tourism. Over 20% of the island's adult population works in the tourism industry, so the decrease threatened the livelihoods of many citizens of Palau.
- Although the economy has shrunk in each of the past five fiscal years, the Palauan economy is projected to grow by 8.8% in the fiscal year 2022.
- The declining economy has made it harder for the Palauan government to address the severe threat that climate change presents to the nation. If the projected economic growth is correct, hopefully there will be more opportunities for adaptive and mitigative measures to be enacted.

### **How the Palauan Economy Has Been and Will be Affected by Climate Change**

- Climate change has significantly affected the economy of Palau, and will continue to impact the economy for the rest of Palau's future. As previously stated, tourism is the hallmark of the Palauan economy. People from all around the world are drawn to Palau's natural beauty and ecosystem, and climate change threatens to take away or damage that draw.
  - For example, higher temperatures alter the chemistry of the ocean which can damage coral and harm marine life, and floods from increased rain have ruined much of the arable soil.

- Extreme weather threatens to destroy Palau's infrastructure, which will cost the country large sums of money, potentially millions of dollars, to rebuild and reinforce.

### **How Extreme Weather Impacts Palau**

- Palau is in the Eastern Pacific Ocean, and is therefore affected by the El Niño system, which naturally warms the waters in the Pacific Ocean once every three to five years. El Niño leads to more storms and more extreme weather, and due to the warmer waters caused by climate change, the impacts have increased and will continue to increase.
- Although there have been no major tragedies, past typhoons have caused severe damage to Palauan infrastructure and the homes of Palauan people, which leaves the country and its population less economically stable.

### **The Threat Climate Change Poses to the Global Economy**

- Palau strongly believes climate change is a significant threat to the global economy. Rising sea levels will transform coast lines. Many of the major economic centers and cities are on coastlines, and if the sea rises significantly, the cities may disappear.
- Additionally, as is the case in Palau, extreme temperature and weather is impacting agriculture all around the world. As the global population continues to grow, agricultural land will become ruined, and it will lead to widespread hunger.

### **The Best Climate Change Policies for Palau**

- As a low-lying island nation, Palau is primarily concerned with preventing sea levels from rising. Therefore, Palau believes that the world should do whatever it can to not reach the critical 1.8 degrees Celsius over pre-industrial levels. This means reducing fossil fuel emissions and transitioning to an economy centered around renewable energy.

Palau has taken steps to achieve this goal, such as our move towards renewable energy to do our part in solving this crisis.

- Additionally, it is very important to the people of Palau that the beauty of nature is preserved and nature remains as untouched as possible. This is demonstrated by the pledge that all tourists must sign before entering the country. This pledge says that any visitor will not disturb Palau's nature, and that "the only footprints I shall leave are those that will wash away."
- In this spirit, Palau would also support any measure that would protect nature and wildlife around the world.

### **Palau's Thoughts on Austerity Measures**

- Palau believes that due to the dire circumstances of climate change, it is irresponsible to ignore finding and funding solutions to the warming climate in the name of cutting budgets.
- Climate change is an issue that unites the Earth. The effects of climate change will hit every country and person in the world and therefore must be prioritized.
- Additionally, if not addressed, climate change will cost the global economy 23 trillion dollars by the year 2050. It is short sighted to care about reducing budgets to achieve economic strength while the failure to address climate change will hurt the economy much more than the cost of proactive climate measures.

## **Palau Pledge**

Children of Palau,

I take this pledge,

as your guest,

to preserve and protect

your beautiful and unique

island home.

I vow to tread lightly,

act kindly and

explore mindfully.

I shall not take

what is not given.

I shall not harm

what does not harm me.

The only footprints

I shall leave are those

that will wash away.