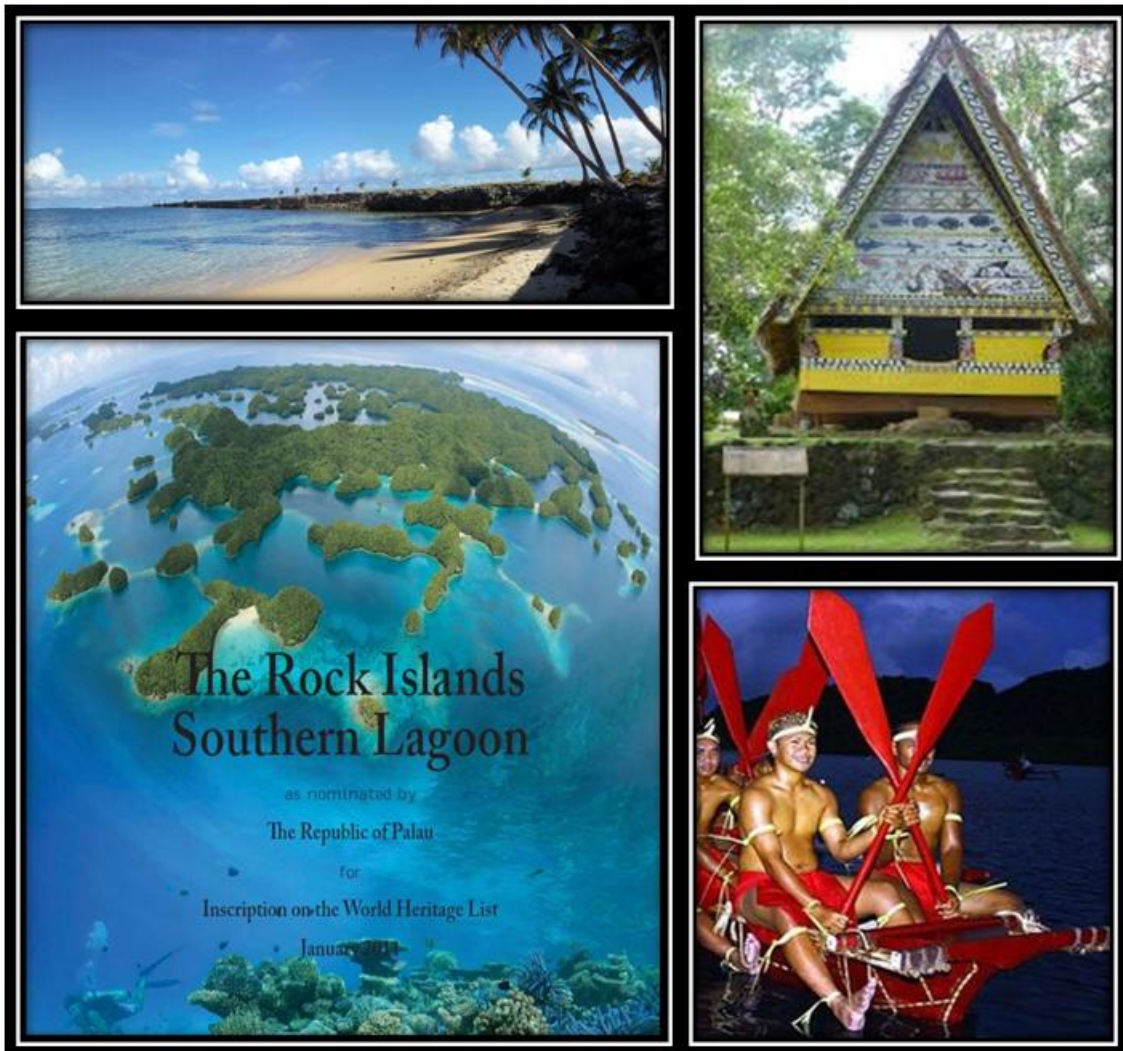


Palau Responsible Tourism Policy Framework

Ensuring a Pristine Paradise. Palau for everyone

2017–2021





Bureau of Tourism
Ministry of Natural Resources, Environment and Tourism
Republic of Palau
December 2016

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A Message from Our President

Tommy E. Remengesau, Jr., President of the Republic of Palau



As all Palauans know and visitors quickly realize, the Republic of Palau is an extraordinary place.

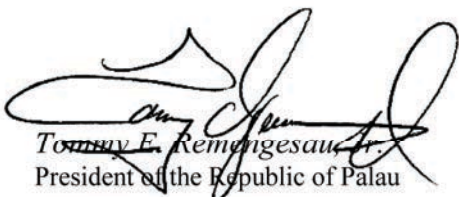
Our archipelago of more than 300 islands features approximately 1,300 species of fish—from the tiny Mandarin fish to the iconic Napoleon Wrasse—and over 700 species of coral. Our forests and mangroves support beautiful and health-giving endemic plants and echo with the calls of 162 bird species, 12 of them endemic, including our *Biiib* (Palau Fruit Dove) and *Chesisebarsech* (Palau Bush Warbler). More than

21,000 people live in this natural wonderland, holding fast to our culture, customs, language, and stories.

Tourism allows us to share our unique treasures with the world as well as provides us with essential and substantial contributions to our economy. Tourism continues to provide for more than half of our economy, with the industry contributing 51% of our GDP. Growing our tourism industry responsibly is essential to Palau's economic vitality. A stronger, more diversified industry will provide Palau with improved infrastructure, career opportunities for our youth, and a higher standard of living.

As Palau looks towards new development, and new ventures in enhancing our tourism industry, we now reach to the caring wisdom of our ancestors to implement our most important intention—to keep Palau extraordinary. Conservation and resource management are part of Palauan traditional values; we have preserved our rich biodiversity for centuries with the practice of calling a *bul*(moratoria) when needed. To protect our quality of life—our environment, culture, and communities—while supporting responsible tourism growth, we must combine our traditional knowledge with innovative management and best practices to present Palau as a special destination to be respected, understood, and highly valued.

The Palau Responsible Tourism Policy Framework is our vision, map, and compass in ensuring that our Pristine Paradise Palau is kept as wondrous as it is today for generations to come. This framework calls for the step-by-step management and coordination of responsible tourism growth to support, protect, enhance, and share our unique home, the Republic of Palau.



Tommy E. Remengesau, Jr.
President of the Republic of Palau

Foreword

Minister of Natural Resources, Environment and Tourism



It is my pleasure to present this Responsible Tourism Policy Framework, the blueprint for smart growth of Palau's tourism sector. This framework sets the direction for tourism growth and development for the next five years.

To achieve long-term industry profitability and sustainability, Palau must consistently deliver the *Pristine Paradise. Palau* experience that our visitors expect while facilitating economic growth. This requires a shift from the unmanaged approach to tourism development that has characterized the sector thus far. It requires that we embrace and embark on a strategy that invests in high-*value* growth instead of high-*volume* growth. It requires that we invest in building Palauan entrepreneurship in the industry so we can keep tourism revenue in our economy. And finally, it requires that we put into practice science- and industry-informed management measures at tourism sites to ensure that the pristine environment

that Palau is globally recognized for truly remains pristine.

The sustainability of our tourism industry necessitates that we renounce the selling of Palau as a simple sun-&-sand destination, and embrace those tactics that highlight and strengthen Palau's position as a unique destination with fascinating history and culture, intact communities, and a pristine, species-rich environment.

The future of tourism in Palau depends on our collective ability to transform this industry and ensure that its growth is managed in such a way that it addresses national economic, environmental, and social objectives. To this end, Palauan job creation, Babeldaob tourism development, and industry linkages to community benefits are absolute necessities and key priorities under this framework.

Finally, the successful implementation of this policy framework will require collaboration and partnerships between the public and private sector, civil society and citizens. I acknowledge with appreciation the public-private partnerships that resulted in this policy framework and look forward to seeing those partnerships continue as we work to deliver a *Pristine Paradise. Palau* for everyone.



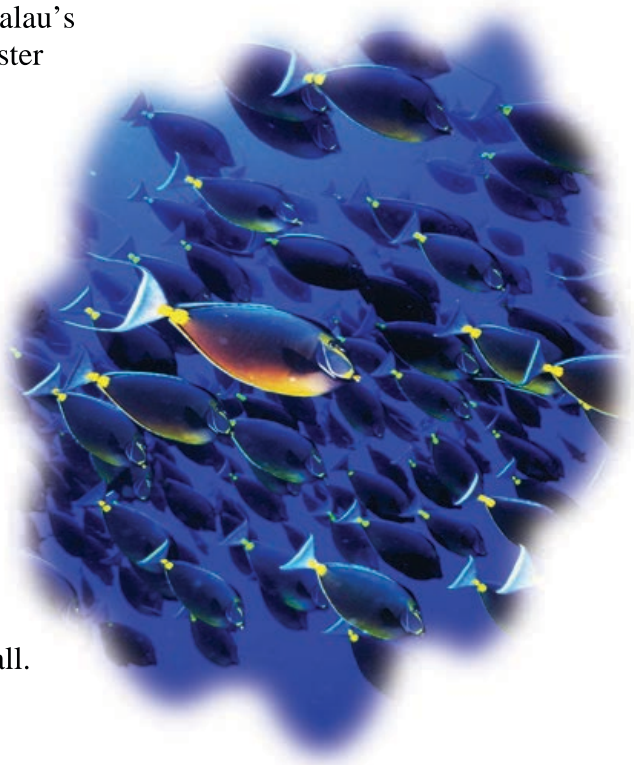
A handwritten signature in blue ink, which appears to read "Umiich Sengebau".

Umiich Sengebau
Minister, Natural Resources, Environment and Tourism

Key Concepts

A *responsible tourism policy* in Palau means that Palau's national sustainable development strategy, state master plans, land-use plans, and disaster plans uphold the following tenets:

- Tourism development provides economic, social, and environmental benefits to all of Palau's states.
- Tourism development and management is coordinated with the environment, labor, agriculture, and fisheries sectors.
- Tourism development and management avoids damage to Palau's biodiversity and ecosystems, works to eliminate unsustainable consumption and minimize pollution and waste.
- Tourism products and experiences educate both visitor and the local community to ensure a rich and rewarding experience for all.



Pristine Paradise. Palau

Palau's brand promises experiences of unspoiled beauty, pristine seas and nature and opportunities for experiencing Palauan culture, which is underpinned by traditions of caring for both natural and cultural heritage.

Palau's pursuit of *niche tourism markets*, which support value growth over volume growth, targets a more engaged traveler who seeks new, authentic experiences as opposed to low-budget sun-and-sea mass tourism. Mass tourism is becoming less desirable worldwide as it delivers negative environmental impacts and limits benefits to local communities.

Niche tourism has the potential to enhance the competitiveness of destinations, diversify its product offerings, generate

higher yields per visitor, and create more jobs for locals. Examples of niche markets include nature-based tourism, cultural heritage tourism, culinary tourism, agri-tourism, sports tourism, weddings and honeymoons, and adventure tourism.

Background and Key Issues

Tourism in Palau is at a crossroads. Global recognition of Palau's stunning environment, biodiversity, and the many initiatives in place to ensure its pristine condition have led to more market opportunities than ever before. However, dramatic increases in visitor arrivals within the past two years and the rapid proliferation of budget-oriented tourism development to service those visitors have led to concerns about devastating consequences on the industry, environment and society.

Before 2014, Palau's tourism industry was driven largely by higher spending consumer segments dominated by the diving market. In 2014 and 2015, a dramatic spike in packaged-travel groups from the Peoples Republic of China (PRC) shifted Palau's tourism industry changed the nature of the tourism experience in Palau. This shift into mass-market tourism has been driven by vertically integrated package tours, bringing visitors who have prepaid their full itinerary, resulting in lower in-country visitor spending. Additionally, the dominance of a single source market, largely consisting of first-time travelers and the entry of numerous new, inexperienced tour operators into the tourism sector have strained the capacity of regulatory and management bodies to ensure that tourism in Palau is both profitable and sustainable.

Issues stemming from erratic air service schedules, a proliferation of charter flights, and a lack of transparency in airport operations have challenged Palau's tourism sector to target and receive desired visitor markets via consistently scheduled air service.

Hotel development projects aimed to service the low-end packaged traveler have cluttered the market and degraded Palau's pristine brand. To make matters worse, Palau's identity as an exclusive world-class diving destination is eroding, due to significant overcrowding at key sites.

Resolving these issues is crucial. Resolution will require the political will of the ROP government and a coordinated industry. The Responsible Tourism Policy outlines the way forward. We must all pull together to implement needed solutions.



Strategy Overview

Palau’s Responsible Tourism Policy is led by the following vision and mission:

Vision:

A Pristine Paradise. Palau for everyone.

Mission:

*We intend to grow and sustain a visitor industry that is Respectful of our people and environment, ensures the Optimum flow and retention of revenue in our economy, and consistently delivers on the Promise of a **Pristine Paradise. Palau** experience to all.*

Our Targets, Objectives and Impact

Our vision is supported by **six targets** for achieving sustainable and responsible tourism in Palau. The targets provide the direction for the goals and objectives that will guide the implementation of the policy.

Key Objectives are statements of the specific outcomes Palau wishes to achieve relative to the targets of the policy framework. They represent what Palau as a destination wishes to accomplish and are written in specific enough terms to be measurable.

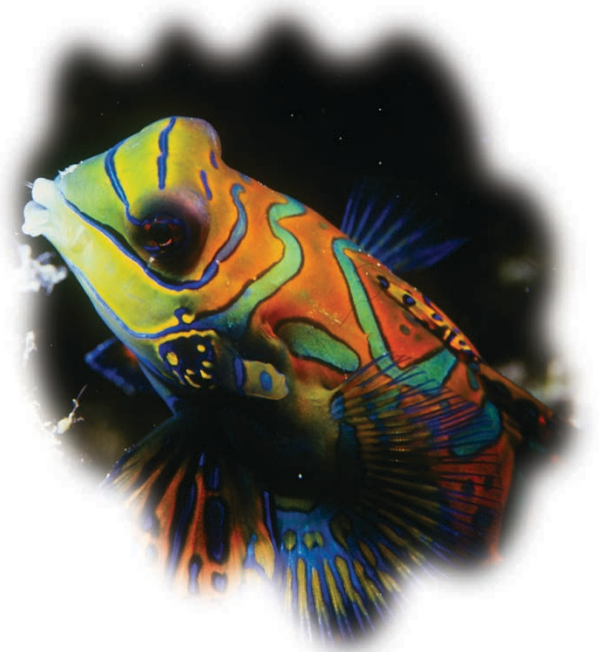
Outcome Measures provide a means to evaluate the progress and accomplishments on Palau’s path toward a sustainable tourism economy.

The following **six targets** guide the Palau Responsible Tourism Policy:

TARGET 1: RESPONSIBLE TOURISM AWARENESS AND ALIGNMENT IS A NATIONAL PRIORITY—Tourism development and management is prioritized, organized, and coordinated across national and local government sectors.

TARGET 2. PALAU’S VISITOR ECONOMY IS RESPONSIBLY MANAGED—Visitor-to-resident ratio reflects sustainable carrying capacity.

TARGET 3: RESPONSIBLE PRODUCT DEVELOPMENT ATTRACTS TARGETED HIGH-VALUE MARKETS—Diverse, high-value, low-impact consumer segments are the core of Palau’s visitor industry.



TARGET 4: PALAU’S VISITOR EXPERIENCE IS THE LIVING BRAND—The complete visitor experience reflects the Pristine Paradise. Palau brand.

TARGET 5. PALAU’S TOURISM INDUSTRY PROVIDES IMPROVED VISITOR YIELD—Responsible tourism practices support the optimal retention of revenue in the local economy.

TARGET 6. PALAU’S TOURISM DEVELOPMENT IS COMMUNITY-DRIVEN—Communities are actively engaged in responsible tourism planning and decision making.

1.0 Introduction

As the Republic of Palau’s leading industry, tourism creates jobs, promotes economic diversification, adds tax revenue and contributes to the overall economic development of the country. However, the dramatic increase in visitors in recent years has overwhelmed Palau’s infrastructure, displaced residents, and threatened the sustainability of Palau’s pristine but fragile environment, thereby threatening the sustainability of the tourism industry itself. A Responsible Tourism policy framework is needed to guide and manage tourism growth and harness the industry’s ability to contribute broad and equitable social, economic, and environmental benefits.

1.1 Palau’s Response and Focus

The primary focus of Palau’s responsible tourism framework is to shift the current tourism profile from a low-end, mass-market, packaged travel model to a niche, high-value tourism model coordinated to deliver the *Pristine Paradise. Palau* brand experience to discerning travelers. The directives that underpin this framework are designed to achieve six targets that will result in the market shift desired. These policies are intended to put into place the necessary conditions and controls, collaboration, and coordination needed to achieve the targets of a tourism industry that can sustain Palau.

1.2 Palau's Responsible Tourism Policy Framework Legacy

In 2015 the Ministry of Natural Resources Environment and Tourism applied for and was awarded a technical assistant grant from the United States Department of Interior (DOI), Office of Insular Affairs to develop a tourism framework for Palau. A project steering committee identified by the Office of the President and comprised of tourism sector representatives was created to oversee the implementation of the DOI-funded project and to guide and inform the development of Palau's Responsible Tourism Framework. This document is the output of that committee and is the result of many and varied consultative sessions throughout 2015 and 2016, multiple meetings with stakeholder groups and selected individuals and extensive document review.

This Responsible Tourism Policy Framework also builds on the recommendations arising from Palau's past tourism studies including the 2000 JICA Report and the 2008 Palau Tourism Action Plan. It also incorporates recommendations from the 2016 Asian Development Bank report, *Policies for Sustainable Growth Revisited, A Private Sector Assessment for Palau* as well as those provided by the Economic Advisory Group to the President of the Republic of Palau.

2.0 Policy Statement

Tourism is a complex industry that encompasses nearly all public and private sectors. It requires that both the public and private sector make significant investments to its development in order to realize its many benefits. To achieve the maximum economic, social and environment balance, Responsible Tourism must be the guiding principle for tourism investment and development in Palau. This means that a proactive approach is needed by all industry partners to develop and manage the industry along sustainability principles and guidelines.

The targets, goals, objectives and activities articulated in this framework and action plan are designed to promote and strengthen Palau's tourism industry to benefit all.



2.1 Policy Solutions: Targets, Goals, Objectives, and Outcome Measures

This framework proposes a two-pronged approach to implementing solutions to the many issues plaguing Palau’s tourism industry. Firstly, the policy seeks to identify and support efforts leading to positive tourism outcomes that strengthen and enhance the profitability, resiliency, and sustainability of the industry. Secondly, it seeks to halt, mitigate, and, where possible, reverse the negative impacts arising from present deficiencies in tourism governance and management.

This framework is also designed to provide a guide for strategic planning for all government, private sector, non-government, and civil society organizations involved in the management and delivery of tourism. The policies articulated in this document should be integrated into the strategic plans of relevant government ministries and departments at both the state and national levels and provide guidance for further private sector tourism development and activities. Achieving the following goals, objectives and associated outcomes will result in the attainment of the desired high-value, niche tourism profile for Palau.



TARGET 1: RESPONSIBLE TOURISM AWARENESS AND ALIGNMENT IS A NATIONAL PRIORITY

Ensure adequate and appropriate national capacity to manage the sustainability of the tourism sector. Support a regulatory framework for land-use planning and tourism zoning to protect cultural heritage and the built and natural environment. Support a government-to-business mechanism for the collection and dissemination of market intelligence, statistics, marketing plans, and development activities.

Goal 1: *Tourism development and management is prioritized, organized, and coordinated across national and local government sectors.*

Objective 1.1 National and state governments are united on the central priority of engaging responsible tourism policy toward the fulfilment of Palau’s social, economic, environment, and cultural goals.

Objective 1.2 Tourism development, management, enforcement, and marketing is coordinated between national and state governments and private sector organizations.

Objective 1.3 The collection, management, and public dissemination of tourism data is formalized. The cooperation of all public and private sector data sources is required.

Impact Measures

- ✓ A national tourism coordination board (NTCB) is established with members representing key ministries, PSOs and NGOs.
- ✓ National and state development and land use plans include responsible tourism strategies.
- ✓ Recognition and support of tourism as a major contributor to Palau’s economy and development increases.

TARGET 2: PALAU’S VISITOR ECONOMY IS RESPONSIBLY MANAGED

Manage visitor arrivals, behavior, and access to fragile sites to reduce tourism impacts on Palau’s environment, culture, and communities.

Goal 2: *Visitor-to-resident ratio reflects sustainable carrying capacity.*

Objective 2.1 Sustainable carrying capacity ranges are established, determining acceptable levels of environmental, cultural, and community impacts.

Objective 2.2 Airline access is closely aligned with carrying capacity, accommodation stock, and targeted markets.

Objective 2.3 User fees levied appropriately assist in reduction of low-end markets.

Objective 2.4 Strengthened visitor communication and outreach ensures that all visitors are provided with clear and compelling information about respectful, appropriate behavior and environmental *dos and don’ts*.

Impact Measures:

- ✓ Key data is collected to facilitate understanding of the percentage of capacity used, trends relative to capacity, and number of instances where capacity limits are reached or exceeded.
- ✓ Increase in the number of tourism sites with active policies designed to minimize environmental, social and cultural impacts.
- ✓ User fees are carefully adjusted to prevent negative impact on desired markets.
- ✓ Increased visitor compliance of best-practice behaviors at tourism sites as determined by community and site surveys.

TARGET 3: RESPONSIBLE PRODUCT DEVELOPMENT ATTRACTS TARGETED HIGH-VALUE MARKETS

Prioritize the development of accommodations, services, and experiences that meet the market demands and expectations of high-value visitors such as Free Independent Travelers (FITs) and targeted niche markets.

Goal 3: *Diverse, high-value, low-impact consumer segments are the core of Palau’s visitor industry.*

Objective 3.1 The development of accommodations, services, and experiences that meet the market demands and expectations of high-value visitors such as Free Independent Travelers (FITs) and targeted niche markets such as birding, soft adventure, cultural heritage, private cruising, ecotourism, etc., is prioritized.

Objective 3.2 Marketing activities focus on a variety of high-performing, niche and diverse geographic source markets in pursuit of highest-value customers—those who stay the longest and spend the most.

Impact Measures:

- ✓ Percentage increase in number of rooms reflecting luxury accommodations in Palau’s tourism profile
- ✓ Visitor profile of Palau reflects FIT comprising the majority of visitors to Palau
- ✓ Percent of operators (inbound) who perceive the destination as a high-value destination (survey based)





TARGET 4: PALAU'S VISITOR EXPERIENCE IS THE LIVING BRAND

Set, incentivize, and/or enforce standards of quality, sustainability, authenticity, health, safety, and security for all tourism sector products and services.

Goal 4: *The complete visitor experience reflects the Pristine Paradise. Palau brand.*

Objective 4.1 Standards of quality, authenticity, health, safety, and security are established, incentivized, and enforced for all tourism sector products and services.

Objective 4.2 ROP policies and practices support Palau's identity as a pristine conservation nation.

Impact Measures:

- ✓ Visitor exit survey results show improved satisfaction with service delivery and brand experience
- ✓ Visitor exit survey results show improved pedestrian experience, increasing positive visitor-resident interaction.
- ✓ State tourism product awareness, activity, and revenues increase.
- ✓ Industry certifications program including Made in Palau program is in place and is enforced.
- ✓ Volume of solid waste recycled

TARGET 5. PALAU'S TOURISM INDUSTRY PROVIDES IMPROVED VISITOR YIELD

Raise local profile and preparation for tourism careers. Improve access to finance and support mechanisms for small, medium, and micro community enterprises; strengthen agriculture and fisheries sectors to reduce reliance on imports.

Goal 5: *Responsible tourism practices reflects optimal retention of revenue in the local economy.*

Objective 5.1 Guidelines are in place for the evaluation and approval of tourism development projects, which are evaluated and approved based on their contributions to the following goals:

- Maximum local ownership and participation
- Strengthening linkages with other sectors of the economy
- Preservation and promotion of Palau's culture and heritage
- Preservation and enhancement of the environment
- Utilization of local resources
- Local job creation
- Increased national revenue and net foreign exchange earnings


Objective 5.2 A culture of Palauan tourism entrepreneurship is developed and fostered

Objective 5.3 Agriculture and fisheries sectors and markets are strengthened to improve local entrepreneurship, food security, and protection for specified marine life.

Objective 5.4 Public-private partnerships support a local Palauan-made production industry, including the development of creative industries, with market links.

Objective 5.5 Raise local profile and preparation for tourism careers.

Impact Measures:

- 
- ✓ Responsible tourism principles and strategies are integrated into key planning processes such as FIB, EQPB and State Public Land Authorities.
 - ✓ Small, medium-sized, and micro businesses have realistic financing opportunities and business management support.
 - ✓ The production and selling of produce and seafood is regulated to ensure protection for specified marine life and a fair and consistent supply chain for restaurants and locals.
 - ✓ Rate of Palauan employment in the tourism industry increases.
- ✓ Tourism and hospitality skills are integrated into national education policy.

TARGET 6. PALAU'S TOURISM DEVELOPMENT IS COMMUNITY-DRIVEN

Goal 6: *Communities are actively engaged in responsible tourism planning and decision making.*

Objective 6.1 National industry partners work together to educate and inform local media and communities about Palau tourism success stories and positive impacts.

Objective 6.2 A Tourism Council is established in each state to engage bottom-up responsible tourism development and follow through.

Objective 6.3 Public-private partnerships focus on community-driven cultural and terrestrial nature-based tourism outside of Koror.



Impact Measures:

- ✓ Biannual survey of residents' attitudes towards tourism shows positive trend.
- ✓ Sustainably managed cultural and nature-based tourism products outside of Koror increase.

3.0 Responsible Tourism Implementation

The organizational framework for implementing the Responsible Tourism Policy Framework and Action Plan involves the creation of one new entity and the collaboration of others. As a first step to strengthen the institutional arrangements needed to effectively implement the policy framework and Tourism Action Plan, the ROP will establish the critically important National Tourism Coordination Board (NTCB), which will include representation from key government ministries, states, private sector organizations, and NGOs, especially those in the environmental sector (Appendix 2).

NTCB will provide leadership and policy guidance to steer implementation of the Responsible Tourism Policy Framework and Action Plan; provide guidance to related ministries, direct the functions of the Bureau of Tourism and oversee and coordinate the implementation of the actions called for by this framework. While BOT, with the support of NTCB, must take the leading role in coordinating these efforts to ensure needed outcomes, the implementation of this framework will require a whole-of-industry approach. Both the government and the private sector must commit to the actions called for in this framework.

3.1 Roles and Responsibilities of Key Agencies and Organizations

National Tourism Coordination Board (NTCB)

With members appointed by the president, NTCB will include representation from key government ministries, states, private sector organizations, and NGOs, especially those in the environmental sector. NTCB, chaired by the Minister of Natural Resources, Environment, and Tourism, will provide leadership and policy guidance to steer implementation of the Responsible Tourism Policy Framework and Action Plan; provide guidance to related ministries, seek support from development partners for priority projects, and convene ad-hoc meetings to formulate responses to unforeseen events requiring high-level decision making. See Appendix 3 for member agencies/organization and structure.

Bureau of Tourism (BOT)

Primary government agency charged with the systematic development and management of Palau's tourism industry. BOT will implement and/or coordinate the policies, projects, and programs endorsed by NTCB, promote national and international investment in the tourism sector; organize programs and training to upgrade the quality and technical skills of the tourism industry, measure the flows and impacts of tourism activity (research), and manage the regulation and enforcement of standards and certifications.

Palau Visitors Authority (PVA)

Quasi-public agency tasked with brand management, promotion, and strategic marketing of Palau as an international tourism destination.

Belau Tourism Association (BTA)

Nonprofit membership organization focused on the development of a quality visitor experience in Palau by expanding business opportunities for members through advocacy, education, community outreach, and stewardship of Palau’s environment and cultural heritage.

Palau Chamber of Commerce (PCOC)

Nonprofit organization with the mandate of publicizing, promoting, and developing commercial and business opportunities within the Republic of Palau.

Palau Conservation Society (PCS)

Non-governmental organization focused on empowering Palau’s communities to be good stewards of the environment.

State Tourism Councils (STC)

Comprised of state leadership, PAN coordinators, and tourism representatives, and and CBO (*cheldebechel*) /citizen stakeholders, state tourism councils will engage tourism planning and management at the subnational level. The councils will seek support from development partners to strengthen their ability to mainstream tourism planning into local governance structures. States will engage with BOT, PVA, BTA and other actors to implement tourism-related policies, projects, and activities.

3.2 Action Plan

This strategic framework is accompanied by an action plan that describes the necessary activities that are needed to ensure a responsible tourism industry in Palau. See Appendix 1.

4.0 Monitoring Performance and Impact

While the proposed National Tourism Coordination Board (NTCB) will provide leadership and policy guidance to steer implementation of the Responsible Tourism Policy Framework and Action Plan; BOT is the primary government agency charged with the systematic development and management of Palau’s tourism industry. BOT, with assistance from industry partners, will implement and/or coordinate the policies, projects, and programs endorsed by NTCB, and is responsible for monitoring and evaluating Palau’s Responsible Tourism Policy Framework objectives and activities.

Performance monitoring will be achieved by:

- Measuring, tracking, and communicating key indicators, as described in [Appendix 5](#), with industry and community.
- Measuring and tracking the specific activity indicators recommended in the Action Plan ([Appendix 1](#)).

5.0 Financing Responsible Tourism Development

The success of the Responsible Tourism Policy Framework is contingent upon sufficient funding support for the Bureau of Tourism and approved projects. Key priorities will be support for visitor and impacts research, community outreach, and regulatory and/or standards enforcement. While funding support for some activities has been identified, the majority of the actions necessary for the viability of Palau's tourism industry, which are key to reaching Palau's sustainable development goals, require the ROP government's investment.

6.0: Appendices

6.1 Appendix 1: Palau Responsible Tourism Policy Framework 2017–2021 Action Plan

Background

The following action plan is designed to facilitate the implementation of the Palau Responsible Tourism Policy Framework (2017–2021). Policy actions are grouped by goals, objectives and specific activities. The action table comprises columns that specify

- Key objectives and activities for each target and goal
- Activity priority
- Responsible agencies
- Indicators to measure progress, problems, and success

The proposed actions are not meant to be prescriptive or exclusive. Rather, they are core activities that will be need to be undertaken, along with many others, as appropriate, to achieve the desired results by 2021.

While most of these activities will require the contributions of multiple agencies and/or organizations, the national tourism coordination board (NTCB), implemented by BOT, is responsible for the coordination of those activities and for supporting the dialogue and engagement that is needed to facilitate action and positive results.

Finally, this Action Plan should inform the development of annual BOT work plans as well as the work plans of agencies and organizations whose core functions involve Palau tourism objectives.

Target 1: RESPONSIBLE TOURISM AWARENESS AND ALIGNMENT IS A NATIONAL PRIORITY

The actions in Table 1 are designed to ensure national capacity to manage the sustainable development of the tourism sector, support a regulatory framework for land-use planning and tourism zoning to protect cultural heritage and the built and natural environment, and support a government-to-business mechanism for the collection and dissemination of market intelligence, statistics, marketing plans, and development activities.

Goal 1: Tourism development and management is prioritized, organized, and coordinated across national and local government sectors.			
Key Objectives and Activities	Lead Agencies	Priority	Performance Indicators
Objective 1.1: National and state governments are united on the central priority of engaging responsible tourism policy toward the fulfillment of Palau’s social, economic, environment, and cultural goals.			
Palau’s Responsible Tourism Framework and Action Plan is endorsed by the OEK and the President’s Office.	MNRET, OEK, President’s Office	1	<ul style="list-style-type: none"> ✓ Public and private sector are unified in their support of a responsible tourism policy.
Comprehensive national and state land-use/development plans are amended to include explicit responsible tourism concepts, measures and functional enforcement mechanisms.	NTCB, BOT, EQPB, PPLA, states	1	<ul style="list-style-type: none"> ✓ Updated national and state land-use/development plans exist and have explicit application to tourism. (yes/no) ✓ % building proposals denied or sent back for revision (tracks rigor of process). ✓ Number of fees charged for plan, zoning, or site violations.
Objective 1.2: Tourism development, management, enforcement, and marketing is coordinated between national and state governments and private sector organizations.			
Organize national tourism coordination board (NTCB); mandate operational processes; identify key members representing government ministries, private sector organizations, and NGOs;	President’s Office, MNRET	1	<ul style="list-style-type: none"> ✓ NTCB is approved; agencies/members are appointed; procedures are established.

establish decree and operational processes to establish the Board; organize program to impart industry knowledge to NTCB members. (See Appendix 3)			
Review and clarify the mandates, organizational structures and activities of Palau Visitors Authority and Bureau of Tourism to support responsible tourism policy objectives, ensure efficiency and cooperation, and route adequate funding.	President's Office, NTCB, PVA, BOT	1	✓ BOT and PVA partner effectively to achieve distinct and shared targets.
Conduct institutional gaps and needs assessment for BOT. Develop and implement capacity building to increase institutional and personal capacities and to ensure functionality.	Independent Consultant	1	✓ BOT has the systems and capacity to execute its mandate.
Nationwide industry licensing requirements, certifications, and standards are developed, effectively communicated, implemented, and enforced.	BOT	1	<ul style="list-style-type: none"> ✓ Certification and standards are integrated into the licensing process for tourism industry operations. ✓ Enforcement procedures are clear and actionable.
Existing national and state laws, regulations and official definitions are reviewed for consistency and redundancy. Conflicting areas are identified and resolved by appropriate agencies.	BOT, KSG, BCD	1	✓ Conflicting laws and regulations, are resolved and communicated.
Responsible tourism development and asset management capacity building is ongoing for State Tourism Councils/tourism representatives in all relevant states. (See Appendix 2)	BOT, BTA, STCs, PCS	1	<ul style="list-style-type: none"> ✓ All relevant state master plans and land-use plans include responsible tourism strategies and asset management plans. ✓ Workshops are provided throughout the year to support state product development and asset management.

<p>The collection of visitor fees for state-owned attractions throughout the states is coordinated and managed to provide a welcoming, user-friendly visitor experience. Fee schedules reflect awareness of tourism product best practices and fair value for service/experience.</p>	<p>PVA, BOT, governors, state tourism representatives, BTA.</p>	<p>1</p>	<ul style="list-style-type: none"> ✓ Number of workshops held in states to raise value of experiences and calibrate fees. ✓ State tourism revenues increase. ✓ Visitor complaints decrease.
<p>Objective 1.3: The collection, management, and public dissemination of tourism data is formalized. The cooperation of all public and private sector data sources is required.</p>			
<p>A Destination Management System (DMS) is established and managed within the Bureau of Tourism to gather market intelligence, performance data, and information on the social, environmental, and economic impacts of tourism to enable effective decision-making and necessary policy reforms.</p>	<p>MNRET, BOT, MOF, PVA</p>	<p>1</p>	<ul style="list-style-type: none"> ✓ Transparent, data-based decisions regarding tourism development, marketing and management are made.
<p>Mechanisms are created to collect timely, comparative market intelligence, sector performance, environmental/community impacts, and visitor satisfaction feedback.</p>	<p>BOT, PVA</p>	<p>1</p>	<ul style="list-style-type: none"> ✓ Key data points and their relevance are reported on a regular basis to industry and community.
<p>Palau's top 10 indicators to measure tourism strategy success are selected and data points are established. Mechanisms are put in place to regularly capture data and respond to trends. See Appendix 3.</p>	<p>NTCB</p>	<p>1</p>	<ul style="list-style-type: none"> ✓ Industry agrees on set of bellwether indicators that indicate trends and enable policy adjustments.

Target 2: PALAU'S VISITOR ECONOMY IS RESPONSIBLY MANAGED

The actions in Table 2 are designed to manage visitor arrivals, behavior, and access to fragile sites to reduce tourism impacts on Palau's environment, culture, and communities.

Goal 2: Visitor-to-resident ratio reflects sustainable carrying capacity.			
Key Objectives and Activities	Lead Agencies	Priority	Performance Indicators
Objective 2.1: Sustainable carrying capacity ranges are established, determining acceptable levels of environmental, cultural, and community impacts.			
<p>Visitor carrying capacity can be estimated using any of a number of techniques, such as Limits to Acceptable Change (LAC) and Visitor Impact Management (VIM).</p> <p>An ad hoc carrying capacity committee is established or outside consultant is engaged to analyze existing studies and survey results that document Palau's biophysical and social dimensions to identify the nature and extent of potential impacts from current and new tourism development, visitation and climate change.</p>	States, BOT, PICRC, PCS	1	<p>✓ Thresholds are identified beyond which increased growth of tourism may no longer be sustainable.</p>
<p>Efforts to mitigate issues related to climate change such as rising sea levels and extreme weather events are incorporated into tourism development planning and management.</p>	States, PICRC, PCS, BOT, BTA	1	<p>✓ Degree to which key tourist sites/zones are covered by contingency or emergency planning (existence of plan, % area included).</p>
<p>A monitoring and reporting system is established to capture total tourist numbers (mean, monthly, peak) and density of use at specific tourism sites.</p>	BOT, PCS, PAN	1	<p>Key data is collected to facilitate understanding of</p> <ul style="list-style-type: none"> ✓ the percentage of capacity used, ✓ trends relative to capacity, and ✓ number of instances where capacity limits

			are reached or exceeded.
Workshops are held to provide active tourism sites with methods to manage capacity levels and negative impacts	BOT with assistance from outside consultant	2	✓ Number of tourism sites with active policies designed to minimize environmental, social, and cultural impacts.
A comprehensive community survey is undertaken to capture views of Palauans toward tourism and the social, environmental, and economic impacts of tourism.	BOT, PCS	1	✓ Metrics of social/cultural impacts of tourism on Palau's community exist.
Objective 2.2: Airline access is closely aligned with carrying capacity, accommodation stock, and targeted markets.			
Create mechanism to ensure airport transparency to allow coordinated effort to best manage optimal visitor arrivals. Recommendations include daily schedules, routes, transparent legal documents such as SOP, ASAs, etc., and accessible website.	MPIIC, NTCB, President's Office	1	✓ Industry has access to operation procedures, routes, schedules and airline access.
Landing rights are provided to scheduled and charter flights to coordinate with desired markets and available room stock. Recommendations include a route bidding forum to incentivize consistently scheduled service on routes currently overlapped between scheduled and charter carriers.	MPIIC, NTCB, PVA, BOT	1	✓ % hotel occupancy rates
Objective 2.3: User fees levied appropriately assist in reduction of low-end markets			
Support the replacement of current gross revenues tax (GRT) with a goods and services tax (GST) to capture more value from visitor industry and ensure tax system is efficient and equitable.	President's Office, EAG	1	✓ Legislation is passed to reform the tax system to improve efficiency and ensure participation of all businesses.

Entry/exit fees are carefully researched and adjusted to prevent negative impact on desired markets.	NTCB, BOT, PVA, MOF	1	✓ Visitor comments re Visa fees
Objective 2.4: Strengthened visitor communication and outreach ensures that all visitors are provided with clear information about respectful, appropriate behavior and environmental <i>dos and don'ts</i>.			
Build on the existing Responsible Tourism Campaign to develop a multi-year campaign targeting visitor behavior change.	PCS, BOT, PVA	1	<ul style="list-style-type: none"> ✓ Number of trainings held with tour operators to educate on best practices ✓ Increased visitor compliance of best-practice behaviors at tourism sites (as determined by community and site surveys).

Target 3: RESPONSIBLE PRODUCT DEVELOPMENT ATTRACTS TARGETED HIGH-VALUE MARKETS

The actions in Table 3 are designed to prioritize the development of accommodations, services, and experiences that meet the market demands and expectations of diverse, high-value visitors such as Free Independent Travelers (FITs) and targeted niche markets.

Goal 3: Diverse, high-value, low-impact consumer segments are the core of Palau's visitor industry			
Key Objectives and Activities	Lead Agencies	Priority	Performance Indicators
Objective 3.1: The development of accommodations, services, and experiences that meet the market demands and expectations of high-value visitors such as Free Independent Travelers (FITs) and targeted niche markets such as birding, soft adventure, cultural heritage, private cruising, ecotourism, etc., is prioritized.			
Establish one-stop shop to attract and assist tourism development investors. Develop on-line guidebook to support investors. See Appendix 6 .	President's Office, MNRET, FIB, NTCB, PCOC, MOF, state governments	1	✓ Number of investments fitting desired Responsible Tourism profile
Implement mechanism to incentivize higher-value accommodations investors.	NTCB, BOT, FIB, State Governments	1	✓ Percentage mix of luxury/upper scale rooms in Palau's tourism profile ✓ Room rates (ADR) and revenue per available room (RevPAR)
Consider tax reform that includes incentives to current hotel owners to encourage reinvestment in existing facilities.	President's Office, NTCB, MOF	1	✓ % of current hotels taking advantage of incentive
Private sector develops voluntary Quality Assurance Program to incentivize internationally recognized best practices in customer service, accessibility, and sustainability.	BTA	1	✓ % private sector businesses engaged in Quality Assurance Program. ✓ Visitor satisfaction as shown in exit survey and

			social media platforms
States invest in improving the value proposition and visitor experience of their natural and cultural assets, diversifying Palau's tourism portfolio.	State governments, BOT, BTA, BCHP	1	✓ Number of identifiable cultural and terrestrial-focused experiences in states.
Conduct a feasibility/impact study to evaluate infrastructure improvements and capacity necessary to plan and successfully draw international participants in sports tourism events such as marathons, triathlons, ironmans, regattas, surfing competitions, etc.	BOT, PVA, PNOOC	2	✓ Number of sports-related events attracting international participants ✓ Percentage of FIT vs package traveler in visitor stats
Conduct a feasibility/impact study to evaluate cruise market and private yachting.	BOT, PVA, Bureau of Transportation	2	✓ % FIT vs package traveler in visitor arrival statistics
Objective 3.2: Marketing activities focus on a variety of high-performing, niche, and diverse geographic source markets in pursuit of highest-value customers—those who stay the longest and spend the most.			
Identify primary and secondary high-value tourism markets based on data, research, and transparent decision making.	NTCB, PVA, BOT	1	✓ Target markets are identified, justified, and clearly communicated to industry and communities.
Conduct targeted consumer and travel trade marketing, media, and public relations efforts to increase Palau's brand awareness in selected markets.	PVA	2	✓ Palau's rank on list of destinations (key competitors) on broad surveys in key market(s); ✓ Percent of operators (inbound) who perceive the destination as a high-value destination.

Target 4: PALAU’S VISITOR EXPERIENCE IS THE LIVING BRAND

The actions in Table 4 are designed to set, incentivize, and/or enforce standards of quality, sustainability, authenticity, health, safety, and security for all tourism sector products and services.

Goal 4: The complete visitor experience reflects the Pristine Paradise. Palau brand.			
Key Objectives and Activities	Lead Agencies	Priority	Performance Indicators
Objective 4.1: Standards of quality, authenticity, health, safety, and security are established, incentivized, and/or enforced for all tourism sector products and services.			
<p>Tourism standards for certification and operation in all sectors (accommodations, eateries, transportation providers, etc., including but not limited to:</p> <ul style="list-style-type: none"> • tour operators • tour guides (with separate considerations for land vs. scuba guides) • boat drivers <p>are reviewed for relevance, improved and enforced.</p>	BOT, BTA	1	<ul style="list-style-type: none"> ✓ Service, value for money, and safety satisfaction ratings of visitors ✓ Number of standards citations issued. ✓ Number of complaints received. ✓ Ratings by travel sites. ✓ Number of repeat visitors.
<p>A building code appropriate to Palau’s built environment is in place and enforced, providing internationally recognized building safety assurance for residents and guests.</p>	PCOC, NTCB, MPIIC	1	<ul style="list-style-type: none"> ✓ Appropriate code has been adopted by ROP. ✓ Number of code violations cited (thereafter).
<p>A Complete Streets-type campaign is funded and implemented to support safe, attractive, walkable commercial areas.</p>	BOT, state governments, local communities, MOH, BPS, MPIIC	2	<ul style="list-style-type: none"> ✓ Number of public-private partnerships to enhance safety and walkability of commercial areas

			✓ Number of pedestrian accidents and injuries.
Product authentication standards are in place and enforced.	BOT, BTA, BCHP, MOF, MCCA, BCD	1	<ul style="list-style-type: none"> ✓ Local products enterprises increase. ✓ Revenue from local products increases ✓ Number of Palauans engaged in handicraft production increases.
The airport infrastructure and its associated human resources are optimized to provide a positive visitor entry and exit experience.	MPIIC	1	✓ Number of complaints re airport experience and facilities.
Objective 4.4: ROP policies and practices support Palau's identity as a pristine conservation nation and meet visitor expectations.			
Palau's recycling efforts are enhanced, increasing community and business participation.	KSG, MPIIC, President's Office, MNRET	1	<ul style="list-style-type: none"> ✓ National strategy or policy in place to support waste reduction program. ✓ Volume of solid waste recycled
Plastic bags for packaging purchases and customary events are phased out via a combination of education and public and private-sector initiatives.	PCOC, MOE, communities	2	✓ Number of businesses incentivizing and promoting use of cloth carry bags
Education and incentives support the stewardship of water resources.	PPUC, MNRET, EQPB	2	✓ Number of businesses employing water conservation measures.

Tourism industry operations support emissions reduction as defined by Palau's Climate Change Policy.	Palau Energy Office, OCC, BPS	2	✓ Annual emissions compared to baseline year.
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Target 5: PALAU’S TOURISM INDUSTRY PROVIDES IMPROVED VISITOR YIELD

The actions in Table 5 are designed to ensure that responsible tourism policy benefits Palauans first. They include improving the local profile and preparation for tourism careers; access to finance and support mechanisms for small, medium, and micro community enterprises; and strengthening agriculture and fisheries sectors to reduce reliance on imports.

Goal 5: Responsible tourism practices support the optimal retention of revenue in the local economy.			
Key Objectives and Activities	Lead Agencies	Priority	Performance Indicators
Objective 5.1: Guidelines for the evaluation and approval of tourism development projects are based on Responsible tourism concepts.			
An agency, commission, or mechanism is established to ensure approved development projects match Palau’s Responsible Tourism Policy.	NTCB	1	Approved FDI reflects Palau’s Responsible Tourism priorities including: <ul style="list-style-type: none"> ✓ Maximum local ownership and participation ✓ Strengthening linkages with other sectors of the economy ✓ Preservation and promotion of Palau’s culture and heritage ✓ Preservation and enhancement of the environment ✓ Utilization of local resources ✓ Local job creation ✓ Increased national revenue and net foreign exchange earnings.
Responsible tourism principles are central to Palau’s Sustainable Land Management implementation efforts.	EQPB, MNRET, MOJ/Division of Fish & Wildlife, Palau National	1	✓ All relevant state master plans and land-use plans

	Marine Sanctuary		include responsible tourism strategies and asset management plans.
Objective 5.2: A culture of Palauan tourism entrepreneurship is developed and fostered.			
A mechanism is in place to facilitate local entrepreneur entry into the industry.	MOF, SBDC, PCOC, BTA, PCC, NDBP	1	✓ Number of Palauan owned and operated SME and micro businesses
Objective 5.3: Agriculture and fisheries sectors and markets are strengthened to improve local entrepreneurship, food security, and protection for identified species.			
Mechanisms are in place to facilitate market development and strengthen linkages between agriculture and fisheries with hospitality industry.	BOA, PCOC, SBDC, BMR, PCC, NDBP	2	<ul style="list-style-type: none"> ✓ % change in imported food quantities ✓ % local food on restaurant menus
Specified vulnerable marine and terrestrial life is protected against rogue fishing and hunting activity and informal commerce by effective enforcement of infractions.	MNRET, MOJ/Division of Fish & Wildlife, Palau National Marine Sanctuary, KSG	1	<ul style="list-style-type: none"> ✓ Number of illegal fishing infractions cited. ✓ Fees collected for illegal fishing infractions. ✓ Species count for identified vulnerable marine life
Objective 5.4: Public-private partnerships support a local Palauan-made production industry, including the development of creative industries, with market links.			
Workshops are held to develop community skills in creative industries reflecting traditional practices. Public-private partnerships assist Individuals with developing market links.	BTA, PCOC, SBDC, BNM, MCCA	2	<ul style="list-style-type: none"> ✓ Number of workshops held ✓ Number of distinct ,authentic local products available for sale

Objective 5.5: Raise local profile and preparation for tourism careers.

<p>The tourism industry, types of enterprises, skills needed including languages, and opportunities are included in National Education Policy.</p>	<p>BOT, MOE, BTA, PCC</p>	<p>2</p>	<ul style="list-style-type: none"> ✓ Education units covering tourism topics at public and private high schools ✓ Tourism-enterprise internships available for students
<p>The curriculum and capacity of Palau Tourism & Hospitality School of Excellence are enhanced and promoted both locally and throughout Micronesia. Linkages are strengthened with local tourism industry.</p>	<p>Office of the President, BOT, PCC, BTA, PCOC, PVA,</p>	<p>1</p>	<ul style="list-style-type: none"> ✓ Number of students enrolled in tourism school ✓ Number of students employed in local industry after graduation.

Target 6: PALAU'S TOURISM DEVELOPMENT IS COMMUNITY-DRIVEN

The actions in Table 6 are designed to ensure that communities are actively engaged in responsible tourism planning and decision making.

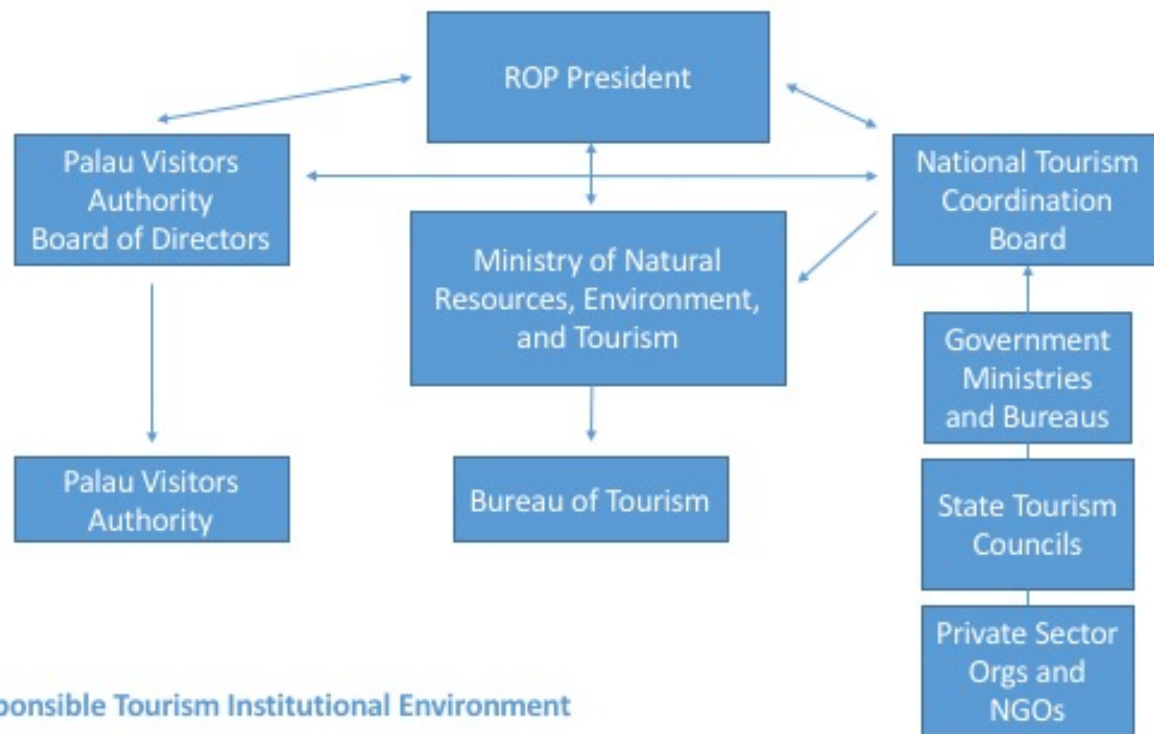
Goal 6: Communities are actively engaged in responsible tourism planning and decision making.			
Key Objectives and Activities	Lead Agencies	Priority	Performance Indicators
Objective 6.1: National industry partners work together to educate and inform local media and communities about Palau tourism success stories and positive impacts.			
Expand existing Responsible Tourism education and awareness campaign to build greater awareness in the local media, schools, and community groups.	BOT, PCS, PVA, BTA, KSG, Governors Association	1	<ul style="list-style-type: none"> ✓ Number and types of avenues used to promote responsible tourism (printed media, TV, events, workshops) ✓ Number/% of people accessing information, participating. ✓ Number of agencies/organizations applying sustainability aspects to their strategic planning processes
Conduct biannual survey of residents' attitudes towards tourism to assess resident perception of tourism value and impacts.	BOT	1	<ul style="list-style-type: none"> ✓ Local satisfaction level with tourism (and with specific components of tourism) based on community questionnaire ✓ Number of complaints by local residents (requires mechanism for complaints collection)
Objective 6.2: A Tourism Council is established in each state to engage bottom-up responsible tourism development and follow through.			
State Tourism Councils (STCs) are comprised of state leadership, PAN coordinators, and relevant private sector and community representation in each state (as appropriate).	State governments and CBO (<i>cheldebechel</i>) /citizen stakeholders	1	<ul style="list-style-type: none"> ✓ Number of states with active STCs.

Objective 6.2: <i>Public-private partnerships focus on community-driven cultural and terrestrial nature-based tourism outside of Koror.</i>			
Initiate and implement a series of pilot tourism projects promoting cultural and nature-based assets	BOT, BTA, PVA, STCs, BCHP	1	<ul style="list-style-type: none"> ✓ Sustainably managed cultural and nature-based tourism products increase. ✓ State tourism revenue increases. ✓ Tourism-focused SMEs outside of Koror increase.

6.2 Appendix 2: Roles and Responsibilities of Tourism-related Agencies and Organizations

Agency/ Organization	Roles and Responsibilities
National Tourism Coordination Board (NTCB)	With members appointed by the President, NTCB will include representation from key government ministries, states, private sector organizations, and NGOs, especially those in the environmental sector. NTCB will provide leadership and policy guidance to steer implementation of the Responsible Tourism Policy Framework and Action Plan; provide guidance to related ministries, seek support from development partners for priority projects, and convene ad-hoc meetings to formulate responses to unforeseen events requiring high-level decision making. See Appendix 4 for recommended members and structure.
Bureau of Tourism	Primary government agency charged with the systematic development and management of Palau’s tourism industry. BOT will implement and/or coordinate the policies, projects, and programs endorsed by NTCB, promote national and international investment in the tourism sector; organize programs and training to upgrade the quality and technical skills of the tourism industry, measure the flows and impacts of tourism activity (research), and manage the regulation and enforcement of standards and certifications.
Palau Visitors Authority	Quasi-public agency tasked with brand management, promotion, and strategic marketing of Palau as an international tourism destination.
Belau Tourism Association	Nonprofit membership organization focused on the development of a quality visitor experience in Palau by expanding business opportunities for members through advocacy, education, community outreach, and stewardship of Palau’s environment and cultural heritage.
Palau Chamber of Commerce	Nonprofit organization with the mandate of publicizing, promoting, and developing commercial and business opportunities within the Republic of Palau.
State Tourism Councils	Comprised of state leadership, PAN coordinators, tourism representatives, and CBO (<i>cheldebechel</i>) /citizen stakeholders, state tourism councils will engage tourism planning and management at the subnational level. The councils will seek support from development partners to strengthen their ability to mainstream tourism planning into local governance structures. States will engage with BOT, PVA, BTA and other actors to implement tourism-related policies, projects, and activities.

6.3 Appendix 3: Palau Responsible Tourism Institutional Environment



Palau Responsible Tourism Institutional Environment

6.4 Appendix 4: National Tourism Coordination Board (NTCB)

Good practice in sustainable tourism governance requires a national-level structure that creates an inter-ministerial liaison process bringing together those responsible for tourism, transport, development, environment, culture, and safety. This structure also needs the involvement of the tourism private sector as well as other stakeholder interests such as conservation bodies.

While Palau is a small nation with tourism as its number one industry, the numerous public- and private-sector actors involved in and affected by the management and promotion of the tourism industry are deeply uncoordinated and often working at cross purposes.

As a first step to strengthen the institutional environment, it is recommended that the Ministry of Natural Resources, Environment, and Tourism establish a National Tourism Coordination Board.

With members appointed by the president, NTCB will include representation from key government ministries, states, private sector organizations, and NGOs in the environmental sector.

To facilitate a nimble process, a 9-person board is optimal, however it may be necessary to include more stakeholders to ensure full government and private-sector support and engagement.

Recommended Members

Board Chair: Minister of Natural Resources, Environment, and Tourism (de facto)

BOT (dual role of both member and secretariat)

PVA

BTA

PCOC

Governor's Association

Bureau of Aviation

Bureau of Public Safety

National Development Bank

Bureau of Cultural and Historical Preservation

Roles and Responsibilities

While NTCB's detailed roles and responsibilities will be defined by the Minister of Natural Resources, Environment, and Tourism at the Board's first meeting, the Board will:

- Meet to review progress in implementing the Responsible Tourism Policy and Action Plan and provide guidance on necessary adjustments to related Ministries and the operations of state tourism councils and other actors
- Seek support from development partners for priority projects and activities specified in the Action Plan; and
- Convene ad-hoc meetings to formulate responses to unforeseen events and/or needs that require high-level decision making.

6.5 Appendix 5: Suggested Key Indicators for Benchmarking, YoY

10 Key Indicators for Measuring Responsible Tourism Policy Success		
Key Performance Indicators	2016 (estimated)	2021 Target
Visitor arrivals	138,735	.
Total revenue per arrival	\$913 ¹	
Market diversity	<p>2</p>	
Total room inventory	1739 rooms ³	
Ratio of luxury rooms to upscale, standard and low-end*	322:1158:209 19% 69% 12% *Luxury=PPR, PRR; Upscale=Other resorts, hotels; Standard=motels, bungalows	
% Palauans employed in tourism	10% private corporate sector	
Community satisfaction with tourism (via survey)		
Visitor satisfaction level (via survey)		
Volume of solid waste recycled		
Tourism environmental impact management:		
% coral cover		
reef fish species density (no. of fish/m ²)		
Tourism income invested in conservation programs		

¹ ROP Statistics Report: 2014Q1-2015Q3

² Policies for Sustainable Growth Revisited, A Private Sector Assessment for Palau, 2016, ADB

³ as of Feb. 2016

6.6 Appendix 6: Guide for Tourism Investors

A one-stop shop for potential investors will provide an efficient, welcoming, service-oriented process for potential desired, high-end investments. It is recommended that an investment guide be developed and available online for easy download as a first-step resource.

The following topics are recommended to assist investor research and development:

- Palau economic information
- Palau's responsible tourism vision
- Why invest in Palau
- Land acquisition
- Tax system
- Investment incentives
- Employment policies
- Life in Palau
- List of institutions, useful links, and contacts

6.7 Appendix 7: Projected Visitor Arrivals Impact

The charts below illustrate the potential implications of tourism on Palau in three different visitation scenarios: 150,000 annual visitors, 250,000 annual visitors, and 500,000 annual visitors. Table 1 projects the change in the resident mix (Palauan vs. foreign), which shifts from a local-to-foreigner ratio of 26:9 at the current level of visitors to an approximate ratio of 5:4 at the 500,000 annual visitors scenario. The foreign resident projection is conservative, as it does not take into account the higher ratio of workers per hotel room that the upscale market demands, nor does it include the additional laborers needed for construction, agriculture, and retail.

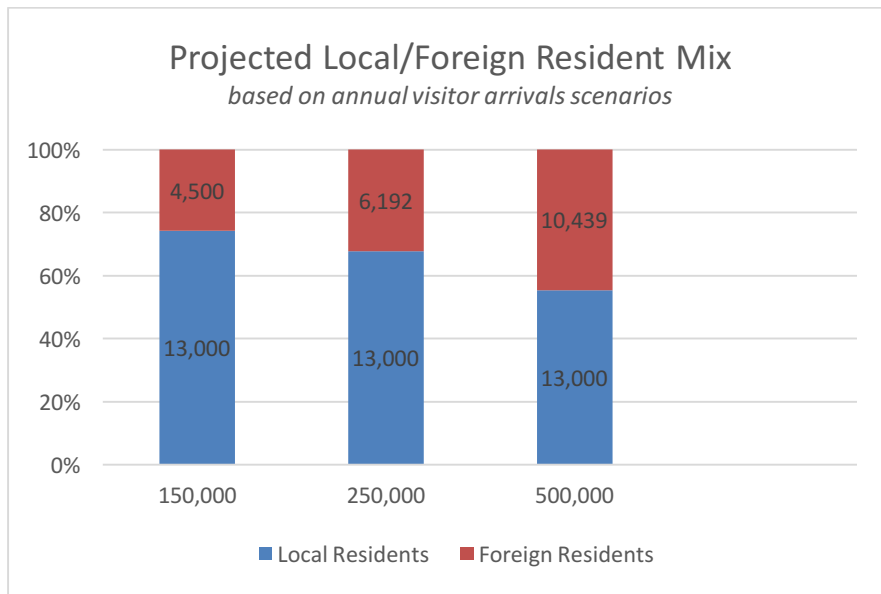


Table 1: Local-to-foreign resident mix based on visitor arrival scenarios. Data courtesy PVA.

Table 2 illustrates the approximate number of new hotels needed using Palasia (164 rooms) as a size reference.

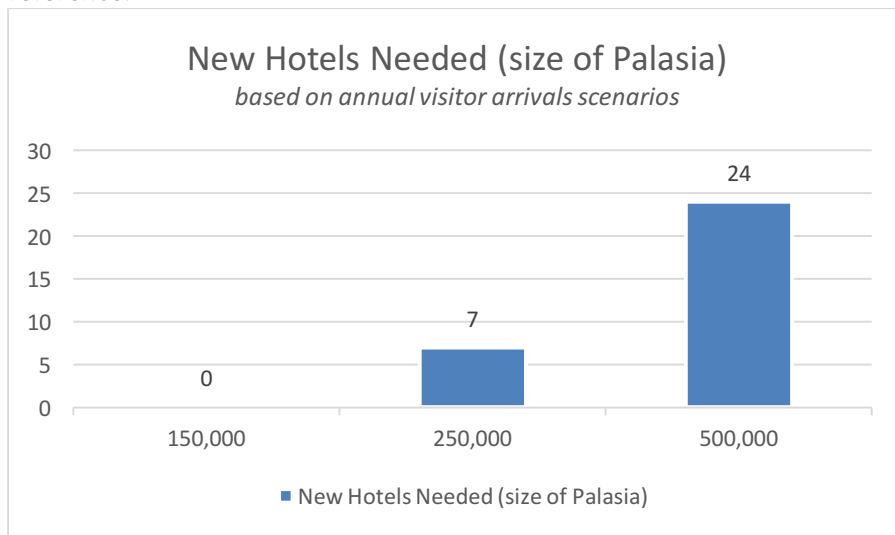


Table 2: Estimated number of new hotels needed to service increased visitor arrivals.

8.0

Acronyms

BOA	Bureau of Agriculture
BCHP	Bureau of Cultural and Historical Preservation
BOT	Bureau of Tourism
BTA	Belau Tourism Association
EAG	Economic Advisory Group (to the President)
EQPB	Environmental Quality Protection Board
FIB	Foreign Investment Board
FIT	Free Independent Traveler
GEF	Global Environment Facility
KSG	Koror State Government
MOE	Ministry of Education
MOH	Ministry of Health
MOJ	Ministry of Justice
MNRET	Ministry of Natural Resources, Environment, and Tourism
MPIIC	Ministry of Public Infrastructure, Industries, and Commerce
NDBP	National Development Bank of Palau
NTCB	National Tourism Coordination Board
OCC	Office of Climate Change
PAN	Protected Areas Network
PCOC	Palau Chamber of Commerce
PCS	Palau Conservation Society
PNMS	Palau National Marine Sanctuary
PPLA	Palau Public Lands Authority
PPUC	Palau Public Utility Corporation
PVA	Palau Visitors Authority
RISL	Rock Island Southern Lagoon
SBDC	Small Business Development Council
SPLA	State Public Lands Authority
STC	State Tourism Council
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNWTO	United Nations World Tourism Organization

9.0 Definitions

Ecotourism	Responsible travel to natural areas that conserves the environment, sustains the well-being of the local people, and involves interpretation, and education. Education is meant to be inclusive of both staff and guests. (<i>The International Ecotourism Society, 2015</i>)
High-value/ low-volume Tourism	A tourism strategy that is characterized by smaller- and medium-scale operations emphasizing local and authentic experiences. High-value tourism has a higher per-visitor expenditure yet its market volatility and environmental/cultural impacts are lower. (<i>Responsibletravel.org</i>)
Niche-market Tourism	Tourism strategy that targets a very specific segment of the overall tourism market, for example specialized services or goods with few or no competitors
Mass-market Tourism	Tourism strategy that focuses on high sales and low prices and aims to provide products and services that will appeal to the whole market
Travel	refers to the activity of travelers. A traveler is someone who moves between different geographic locations, for any purpose and any duration.
Tourist	a tourist (overnight visitor) who stays at least one night in a collective or private accommodation in the place visited.
Visitor	is a traveler taking a trip to a main destination outside his/her usual environment, for less than a year, for any main purpose (business, leisure or other personal purpose) other than to be employed by a resident entity in the country or place visited. These trips taken by visitors qualify as tourism trips. Tourism refers to the activity of visitors
Visitor economy	activities and expenditure involved in supplying products and services for visitors by both the private and public sectors. It also includes the primarily public sector activities and substantial expenditure on the creation, maintenance, and development of the public realm and the infrastructure within which and through which visitor activities take place.