
Republic of Palau

**TOBACCO
INDUSTRY
INTERFERENCE
INDEX
2023**

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The Tobacco Industry Interference Index was initiated by the South East Asia Tobacco Control Alliance (SEATCA) as a regional report.

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Background and Introduction

This is Palau's second report for the Global Tobacco Industry Interference Index which assesses how the government¹ is responding to the tobacco industry's tactics by using the WHO FCTC Article 5.3 Guidelines² and provides evidence for the period of April 2021 to March 2023.

The Republic of Palau is a self-governing republic that is affiliated with the US under a Compact of Free Association which became effective on October 1, 1994. The population of Palau is 17,614 (2020 Census)³. While there are over 340 islands that make up the nation of Palau, only twelve are permanently inhabited. The main island group comprises fourteen of the total sixteen Palauan states. Palau ratified the World Health Organization Framework Convention on Tobacco Control⁴ (WHO FCTC) on 12 February 2004. The Treaty came into force 27 February 2005.⁵

Non-Communicable Diseases (NCDs) are the leading causes of morbidity and mortality in Palau. Heart disease, cancer, and diabetes are all in the top 5 leading causes of death.

Among the leading risk factors for NCDs, tobacco use is the only one that is common to all four major NCDs (cardiovascular diseases, cancers, chronic respiratory diseases and diabetes). Cancer mortality is now the second most common cause of death in Palau. Data reported from Palau to the Pacific Regional Central Cancer Registry, 2007-2018 showed that 55% of cancers in Palau are tobacco related.

Results from an NCD survey in 2016 showed that 20.4% of the respondents are current smokers (30.9% male, 9.7% female) and 44.4% are current users of smokeless tobacco. Over half (52.6%) of respondents currently chew betel (areca) nut. Eighty-seven per cent (87%) of the betel nut chewers add tobacco to their chew⁶. Results of an updated survey will be available in late 2023.

According to the WHO global report on trends 2000-2025⁷ current tobacco smoking prevalence trends among people aged 15 years and older, 2000–2025, (not age-standardized) show a decrease from 35.1% in 2000 to 23.6% in 2020 and predicted to be 21.0% in 2025. It is expected there will be a new trends report also coming out later in 2023. No such trend predictions for smokeless use of tobacco are included in the WHO report.

¹According to the SEATCA methodology, for the purpose of this report the term "government" includes all government institutions such as ministries, state services and institutions and their official representatives and staff, representatives of the Office of the President of Ukraine, and representatives of the Parliament of Ukraine, including MPs, their assistants and other official representatives.

²Framework Convention on Tobacco Control. Guidelines for implementation of FCTC Article 5.3, Geneva 2008, [decision FCTC/COP3(7)] <https://fctc.who.int/publications/m/item/guidelines-for-implementation-of-article-5.3>

³2020 Census of Population and Housing of the Republic of Palau <https://www.palau.gov.pw/wp-content/uploads/2022/09/2020-Census-of-Population-and-Housing.pdf>

⁴<https://fctc.who.int/publications/i/item/9241591013>

⁵https://treaties.un.org/pages/ViewDetails.aspx?src=TREATY&mtdsg_no=IX-4&chapter=9&clang=en

⁶Palau Hybrid Survey Report 2017, Palau Ministry of Health https://www.palau.gov.pw/wp-content/uploads/2018/03/Palau-Hybrid-Report_FINAL.pdf

⁷WHO global report on trends in prevalence of tobacco use 2000–2025, third edition. Geneva: World Health Organization; 2019

Regarding youth, Palau's 2017 Global Youth Tobacco Survey (GYTS)⁸ revealed that 35.4% of youth 13-15 years old are current tobacco smokers while 14.7% use smokeless tobacco. A Global Youth Tobacco Survey was conducted in late 2022 and results have not been finalized in time for this 2023 Tobacco Industry Interference Index report.

At a Public Health Summit held in February 2023, data based on Palau Youth Surveys (not the aforementioned Global Youth Tobacco Survey) conducted in 2020 and 2021 were shared on e-cigarette use among youth ages 9-20 years old. Results showed an increased prevalence of e-cigarette use from 11% in 2020 to 29% in 2021. Anecdotal data suggests that in 2023, prevalence among youth has increased significantly.

Determining market share has been problematic due to data collection issues. Presently, the Bureau of Customs collects import data on tobacco imports based on weight and the brand names are not captured. Palau's FCTC report indicates the leading brands sold are Sonoma (ITG), Doral (RJR) and Carnival (KT&G). Top local importers (as listed in Annex A) include the Western Caroline Trading Company (WCTC), Palau Investment and Development Company (PIDC), Shimbros International Incorporated, Palau Western Pacific Import, and Palau Trading. There are no known front groups or allies.

One of the local large distributors shared information for the period March 2022 to March 2023 that showed their major sales were KT&G (Carnival) with RJR (Capri, Doral & Pall Mall) a distant second. However, this distributor does not sell Sonoma (ITG) which Palau's FCTC report cites as one of the top 3 most popular brands sold.

The Palau NCD coordinating mechanism (NCM), established by Presidential Executive Order (EO) in 2015⁹, also serves as the tobacco control coordinating mechanism. The NCM is required to develop an explicit code of behavior for how all members interact with industry representatives. Several drafts of the policy were produced, but a final version has yet to be adopted. After a period of inactivity primarily due to COVID-19, the NCM has become active again and it is expected the Code of Conduct will be finalized in 2023.

Current legislation (Palau National Code Title 11, Chapter 17¹⁰) Section 11 prohibits tobacco sponsorships. However, they are only prohibited if there is public attribution. It is hoped that with the submission of amendments to the Tobacco Control legislation, the language on this issue can be clarified so that sponsorships are prohibited whether there is public attribution or not.

During the reporting period Palau has some achievements in tobacco control worth noting including most recently a prohibition on the import, distribution, sale, possession and use of electronic cigarettes within the Republic (RPPL 11-27) which came into force on May 29, 2023¹¹. This legislation passed with a lot of community support and no industry interference was identified.

⁸ Palau Global Youth Tobacco Survey, Palau Ministry of Health <https://bit.ly/3ajZktP>

⁹ Executive Order 379, Office of the President; <https://www.pihoa.org/wp-content/uploads/2019/08/Palau-Executive-Order-No-379.pdf>

¹⁰ Palau National Code: Title 11, Chapter 17: <https://palaulegal.org/palau-national-code/titles-10-19/title-11-business-and-business-regulations/>

¹¹ Island Times March 31, 2023: <https://islandtimes.org/palau-completely-bans-e-cigarettes/>

In April of 2022, Palau hosted the “Our Oceans Conference” where the CTFP took advantage of an opportunity to raise awareness of the harm caused by cigarette butts in our ocean and the issue of “greenwashing” by the tobacco industry (though there is no evidence of greenwashing in Palau). This led into the Republic’s observance of World No Tobacco Day 2022 with the theme “Cigarette Butts: Toxic to our Ocean – One more reason to quit (See photos in Annex C). In 2023, we expect to focus WNTD on the newly enacted e-cigarette legislation.

Despite a history of interference in the mid-2000s, we have found no presence of tobacco industry interference in Palau during this current reporting period. Our overall score of 39 indicates improvement over the 2021 score of 40. This improved score reflects an end to the practice of the Bureau of Revenue Customs and Taxation and Bureau of Customs and Border Protection improperly entering into contractual agreements with select tobacco importers allowing them to pay instalments on import and excise taxes owed without interest. However, our scores increased on preventive measures where no action had been taken to improve compliance with Article 5.3. These increases were enough to minimize the gains made from ending the practice described above. Improvements to compliance with the prevention measures of Article 5.3 were not on the forefront of tobacco prevention and control efforts during the reporting period.

The report is based on a questionnaire developed by the Southeast Asia Tobacco Control Alliance. There are 20 questions based on the Article 5.3 guidelines. Information used in this report is obtained from the public domain only. A scoring system is applied to make the assessment. The score ranges from 0 - 5, where 5 indicates highest level of industry interference, and 1 is low or no interference. Hence the lower the score, the better for the country. The 0 score indicates absence of evidence or not applicable.

Summary Findings

I INDUSTRY PARTICIPATION IN POLICY DEVELOPMENT

No incidence of tobacco industry participation in policy development during the reporting period was identified and no industry representatives have ever been in a COP, INB or COP work group (WG) delegation.

Industry interference in policy making interference hasn’t taken place during the reporting period and one landmark piece of legislation on e-cigarettes passed without incident or interference.

Similarly, while no law or policy exists, no recent evidence could be found of the government allowing or inviting the tobacco industry to sit in any government interagency/multisectoral committee/advisory group body that sets public health policy.

Presidential Executive Order No 379¹² established a multisectoral national Coordinating Mechanism (CM) to combat noncommunicable diseases (NCDs) in

¹²op. cit. Executive Order

2015 that states that the CM will develop an explicit code of behavior for how all members of the Committee interact with industry representatives. A code of behavior/conduct was drafted but has not yet been made official to date.

2 INDUSTRY CSR ACTIVITIES

No evidence of corporate social responsibility (CSR) could be found during the reporting period.

During the *Our Oceans Conference* (OOC) held in Palau in April 2022, we raised awareness of cigarette butts' negative impact on the environment (focusing on the ocean and marine life) and tobacco industry's efforts to "greenwash" their CSR globally. We continued this awareness raising during World No Tobacco Day (WNTD) in May, although we have not experienced greenwashing or CSR in Palau (see Annex C for awareness raising photos).

3 BENEFITS TO THE INDUSTRY

There is no evidence of such interaction in the reporting period.

Legislation passed in the reporting period that prohibits the import, distribution, sale, possession, and use of electronic cigarettes within the Republic (RPPL 11-27) and came into force on May 29, 2023. There was no interference by the tobacco industry in passing this legislation.

There were incidents highlighted in a 2017 Public Auditor's report and reported in Palau's 2021 Index report whereby the Bureau of Revenue Customs and Taxation and Bureau of Customs and Border Protection improperly entered into contractual agreements with select tobacco importers allowing them to pay instalments on import and excise taxes owed without interest.

Since the 2021 TI Index was produced, a memo was issued from the Minister of Finance to the Customs Bureau to put an end to this practice.

There has been no change in duty free import duties. A person arriving in the Republic by common carrier may import into Palau free of taxation one of the following: one opened pack of 20 cigarettes; one cigar not exceeding 15 grams (.53 ounces); or up to fifteen (15) grams of loose smoking tobacco, chewing tobacco, or pipe tobacco, in an opened package.¹³

4 UNNECESSARY INTERACTION

No evidence of top-level government officials meeting with or fostering relations with the tobacco companies was found, nor were incidents of government accepting assistance from the tobacco industry on enforcement.

The situation described in the 2021 Index whereby contractual agreements with select tobacco importers allowing them to pay instalments on import and excise

¹³RPPL 9-15 Fiscal Year 2014 Budget Act. *Pacific Islands Legal Information Institute*: <https://bit.ly/3gLVwQ>

taxes owed without interest had been taking place, has been resolved. There have been no incidents of such activity in the reporting period.

5 TRANSPARENCY

No evidence of meetings with the tobacco industry was found.

Both the Open Government Act (1 PNCA §901)¹⁴ and the Administrative Procedures Act (APA) (6 PNCA §101)¹⁵ promote openness and access to public information to facilitate the involvement of the public and stakeholders in the policy review process. However, both are self-regulating and similar to the shortfall of the Code of Ethics (33 PNCA §601)¹⁶, do not prescribe activities specifically with or by the tobacco industry.

No rules exist for the disclosure or registration of tobacco industry entities, etc. Only licensing for all businesses is required and foreign businesses must also be registered under the Foreign Investment Act.

6 CONFLICT OF INTEREST

The Code of Ethics calls for transparency, prohibits conflicts of interests, requires disclosures of potential conflict of interests, mandates financial disclosures, and regulates acceptance and use of contributions by government employees, candidates and public officials.

However, no prohibitions exist on contributions specifically from the tobacco industry or any entity working to further its interests to political parties, candidates, or campaigns or to require full disclosure of such contributions.

7 PREVENTIVE MEASURES

Few preventive measures are in place in Palau. While promoting openness and access to public information, neither the Open Government Act (1 PNCA §901) or the Administrative Procedures Act (APA) (6 PNCA §101)¹⁷ address or mention the tobacco industry **specifically**. Similarly, the Code of Ethics¹⁸, does not prescribe activities specifically with or by the tobacco industry.

There is no requirement of the government for the tobacco industry to periodically submit information on tobacco production, manufacture, market share, marketing expenditures, revenues and any other activity, including lobbying, philanthropy, political contributions and all other activities. Only for tax purposes is there a requirement to report/declare the type and quantity of tobacco products imported.

There is nothing set up to consistently raise awareness within government departments on policies relating to WHO FCTC Article 5.3 guidelines.

¹⁴Open Government Act (1PNCA §901) <https://bit.ly/3vvlU9g>

¹⁵Administrative Procedures Act (APA) (6 PNCA §101) <https://bit.ly/2ScXqLV>

¹⁶Code of Ethics (33 PNCA §601) <https://bit.ly/3eDyLYr>

¹⁷ op. cit. Administrative Procedures Act

¹⁸ op .cit. Code of Ethics

Recommendations

RECOMMENDATION 1

IMPROVE existing policies such as the Palau Civil Service Rules and Regulations, the Code of Ethics, Open Government Act and Administrative Procedures Act to comply with Article 5.3 Guidelines.

- This can be accomplished by seeking a legal opinion and recommendations on the most viable approach (either by amendments through the regulatory process or amendments made by legislation) to improve language in existing policies (the Palau Civil Service Rules and Regulations, the Code of Ethics, Open Government Act and Administrative Procedures Act) to comply with Article 5.3 Guidelines.
- Once the most appropriate approach is determined, establish a team with key members to develop and implement an action plan to strengthen the policies.

RECOMMENDATION 2

AMEND Palau National Code Title 11, Chapter 17, Palau's comprehensive tobacco legislation, concerning CSR so that it includes language disallowing any official or employee of government or of any semi/quasi-governmental body (i.e., any entity receiving government funding or support) to accept payments, gifts or services, monetary or in-kind, from the tobacco industry.

- Submit updated draft amendments to the Palau legislature for consideration that will include language to address CSR.

RECOMMENDATION 3

RAISE AWARENESS among civil servants about the need to protect public health policies from commercial and other vested interests of the tobacco industry, and the strategies used by the tobacco industry to interfere with the setting and enforcement of public health policies with respect to tobacco control.

- This may be accomplished through the government's internal social media networks.

Tobacco Industry Interference Index 2023

Results and Findings

	0	1	2	3	4	5
INDICATOR 1: Level of Industry Participation in Policy-Development						
1. The government ¹⁹ accepts, supports or endorses any offer for assistance by or in collaboration with the tobacco industry or any entity or person working to further its interests. ²⁰ in setting or implementing public health policies in relation to tobacco control ²¹ (Rec 3.4)	0					
<p>Palau is not immune to the influence or attempted influence of big transnational companies and in the mid-2000s, Philip Morris contacted the government and offered assistance with drafting tobacco control legislation though the offer was refused. Philip Morris (unsolicited) also drafted health warnings for cigarette packs in Palauan and requested the then Minister of Health for comments or corrections to the translations. She did not respond.</p> <p>As a Key Facilitator in drafting the Article 5.3 Guidelines in 2007 and 2008, Palau was acutely aware of the issue of tobacco industry interference.</p> <p>Palau has maintained this non-engagement with the tobacco industry in policy development. No incidents could be found in the reporting period. Legislation prohibiting e-cigarettes passed in the legislature in March 2023 with much support from the community and the legislators in March 2023 and with no interference from the tobacco industry (see photos Annex C).</p>						
2. The government accepts, supports or endorses <u>policies or legislation drafted by or in collaboration with the tobacco industry.</u> (Rec 3.4)	0					
<p>No incidents could be found during the reporting period. Legislation passed in the reporting period that prohibits the import, distribution, sale, possession, and use of electronic cigarettes within the Republic (RPPL 11-27) which came into force on May 29, 2023. There was no interference by the tobacco industry in passing this legislation.</p>						
3. The government allows/invites the tobacco industry to sit in government interagency/ multi-sectoral committee/ advisory group body that sets public health policy. (Rec 4.8) I Never 5 Yes		1				
<p>No such incidents were found during the reporting period.</p> <p>Presidential Executive Order No 379²² established a multisectoral national Coordinating Mechanism (CM) to combat noncommunicable diseases (NCDs) in 2015 that states that the CM will develop an explicit code of behavior for how all members of the Committee interact with industry representatives. A code of behavior/conduct was drafted but has not yet been made official to date. However, no person from the tobacco industry is a member of the CM, nor is invited to attend meetings.</p>						

¹⁹ The term “government” refers to any public official whether or not acting within the scope of authority as long as cloaked with such authority or holding out to another as having such authority

²⁰ The term, “tobacco industry” includes those representing its interests or working to further its interests, including the State-owned tobacco industry.

²¹ “Offer of assistance” may include draft legislation, technical input, recommendations, oversees study tour

²²op. cit. Executive Order

	0	1	2	3	4	5
4. The government nominates or allows representatives from the tobacco industry (including State-owned) in the delegation to the COP or other subsidiary bodies or accepts their sponsorship for delegates. (i.e., COP 4 & 5, INB 4 5, WG) (Rec 4.9 & 8.3) For non-COP year, follow the previous score of COP year. For non-Parties, apply a score of '0'		1				
No tobacco industry representatives were on any of Palau's delegations from COP1-9 (see Annex B). For COP 9 Palau's FCTC focal point was the sole delegate. Palau's COP9 participation can be found on the list of participants ²³ .						
INDICATOR 2: Industry CSR activities						
5. A. Government agencies or their officials endorse, support, form partnerships with or participates in activities of the tobacco industry described as "socially responsible" or "sustainable". For example, environmental programs. (Rec 6.2) B. The government (its agencies and officials) receives CSR contributions ²⁴ (monetary or otherwise, including CSR contributions) from the tobacco industry or those working to further its interests during the pandemic. (Rec 6.4) <i>NOTE: exclude enforcement activities as this is covered in another question</i>	0					
No evidence of corporate social responsibility (CSR) could be found during the reporting period. During the <i>Our Oceans Conference (OOC)</i> held in Palau in April 2022, we raised awareness of cigarette butts' negative impact on the environment (focusing on the ocean and marine life) and tobacco industry's efforts to "greenwash" their CSR globally. We continued this awareness raising during World No Tobacco Day (WNTD) in May, although happily we have not experienced CSR in Palau (see Annex C for awareness raising photos).						
INDICATOR 3: Benefits to the Tobacco Industry						
6. The government accommodates requests from the tobacco industry for a longer time frame for implementation or postponement of tobacco control law. (e.g. 180 days is common for PHW, Tax increase can be implemented within 1 month) (Rec 7.1)	0					
No evidence was found that the government accommodated any requests from the tobacco industry for a longer time frame for implementation or postponement of the new legislation regarding e-cigarettes (see response to Question 2).						
7. The government gives privileges, incentives, tax exemptions or benefits to the tobacco industry (Rec 7.3)	0					
There were incidents highlighted in a 2017 Public Auditor's report ²⁵ and reported in Palau's 2021 Index report whereby the Bureau of Revenue Customs and Taxation and Bureau of Customs and Border Protection improperly entered into contractual agreements with select tobacco importers allowing them to pay instalments on import and excise taxes owed without interest.						

²³ List of COP9 participants can be found here: <https://fctc.who.int/publications/m/item/cop9-div-2-rev.1-guide-for-participants>

²⁴ political, social financial, educations, community, technical expertise or training to counter smuggling or any other forms of contributions

²⁵ op.cit. 2017 Public Auditor's Report

	0	1	2	3	4	5
<p>A memo²⁶ was issued in 2021 from the Minister of Finance to the Customs Bureau that put an end to this practice.</p> <p>There has been no change in duty free import duties. A person arriving in the Republic by common carrier may import into Palau free of taxation one of the following: one opened pack of 20 cigarettes; one cigar not exceeding 15 grams (.53 ounces); or up to fifteen (15) grams of loose smoking tobacco, chewing tobacco, or pipe tobacco, in an opened package.²⁷</p>						
INDICATOR 4: Forms of Unnecessary Interaction						
8. Top level government officials (such as President/ Prime Minister or Minister ²⁸) meet with/ foster relations with the tobacco companies such as attending social functions and other events sponsored or organized by the tobacco companies or those furthering its interests. (Rec 2.1)	0					
No evidence of top-level government officials meeting with or fostering relations with the tobacco companies was found.						
9. The government accepts assistance/ offers of assistance from the tobacco industry on enforcement such as conducting raids on tobacco smuggling or enforcing smoke free policies or no sales to minors. (including monetary contribution for these activities) (Rec 4.3)	0					
No evidence was found of government acceptance of assistance/offers of assistance from the tobacco industry on enforcement.						
10. The government accepts, supports, endorses, or enters into partnerships or non-binding agreements with the tobacco industry or any entity working to further its interests. (Rec 3.1) <i>NOTE: This must <u>not</u> involve CSR, enforcement activity, or tobacco control policy development since these are already covered in the previous questions.</i>	0					
The situation described in the 2021 Index whereby contractual agreements with select tobacco importers allowing them to pay instalments on import and excise taxes owed without interest had been taking place, has been resolved. There have been no incidents of such activity in the reporting period.						
INDICATOR 5: Transparency						
11. The government does not publicly disclose meetings/ interactions with the tobacco industry in cases where such interactions are strictly necessary for regulation. (Rec 2.2)			2			
No evidence of meetings with the tobacco industry was found. However, since there has been no action on this matter since the 2021 report, we are scoring a 2. <p>As reported in 2021, both the Open Government Act (1 PNCA §901)²⁹ and the Administrative Procedures Act (APA)(6 PNCA §101)³⁰ promote openness and access to public information to facilitate the involvement of the public and stakeholders in the policy review process. However, both are self-regulating and like the shortfall of the Code of Ethics³¹ do not prescribe activities specifically with or by the tobacco industry.</p>						

²⁶ Ministry of Finance – memo dated June 28, 2021 was reviewed on March 24, 2023

²⁷RPL 9-15 Fiscal Year 2014 Budget Act. *Pacific Islands Legal Information Institute*: <https://bit.ly/3gLVwQ>

²⁸Includes immediate members of the families of the high-level officials

²⁹op. cit. Open Government Act

³⁰op. cit. Administrative Procedures Act

³¹op.cit. Code of Ethics

	0	1	2	3	4	5
12. The government requires rules for the disclosure or registration of tobacco industry entities, affiliated organizations, and individuals acting on their behalf including lobbyists (Rec 5.3)						5
Licensing of all businesses is required ³² , and foreign businesses must also be registered under Foreign Investment Act ³³ . However, no rules currently exist that are specific to tobacco industry entities, affiliated organizations, and individuals acting on their behalf including lobbyists. There are no known tobacco lobbyists in Palau.						
INDICATOR 6: Conflict of Interest						
13. The government does not prohibit contributions from the tobacco industry or any entity working to further its interests to political parties, candidates, or campaigns or to require full disclosure of such contributions. (Rec 4.11) / Never 5 Yes						5
Code of Ethics (33 PNCA §601) ³⁴ calls for transparency, prohibits conflicts of interests, requires disclosures of potential conflict of interests, mandates financial disclosures, and regulates acceptance and use of contributions by government employees, candidates and public officials. However, it doesn't specifically address the tobacco industry.						
As reported in 2021, no such prohibition/requirement exists specifically for the tobacco industry.						
14. Retired senior government officials form part of the tobacco industry (former Prime Minister, Minister, Attorney General) (Rec 4.4)	0					
No incidents were found. The tobacco industry does not have much of a presence in Palau.						
15. <u>Current government officials</u> and relatives hold positions in the tobacco business including consultancy positions. (Rec 4.5, 4.8, 4.10)					4	
Such a conflict of interest exists ³⁵ . The person is neither a head of department nor a Minister.						
INDICATOR 7: Preventive Measures						
16. The government has put in place a procedure for disclosing the records of the interaction (such as agenda, attendees, minutes and outcome) with the tobacco industry and its representatives. (Rec 5.1)			3			
The Open Government Act (1 PNCA §901) and the Administrative Procedures Act (APA) (6 PNCA §101) ³⁶ promote openness and access to public information and facilitating the involvement of the public and stakeholder in the policy review process. However, both are self-regulating and like a shortfall of the Code of Ethics, do not prescribe activities specifically with or by the tobacco industry . The Open Government Act ³⁷ , specifically states that <i>"It is the intent of this Act: that the actions of the government be conducted openly, that all deliberations be transparent, and that all public government documents be open for public inspection.</i>						
<i>...in providing for an open government and open access to the documents of the government the law shall be liberally interpreted, and that the provisions providing for exceptions to the open meeting requirements and open records requirements the law shall be strictly interpreted against closed meetings and the non-disclosure of records"</i> .						

³²Tobacco License application, Bureau of Revenue and Taxation, Ministry of Finance, <https://bit.ly/2QDybBZ>

³³Palau Foreign Investment Act: <https://bit.ly/3sYB7qI>

³⁴op. cit. Code of Ethics

³⁵Ethics Commission financial disclosure records of candidates for public office – reviewed April 10, 2023

³⁶op. cit. Administrative Procedures Act

³⁷op.cit. Open Government Act

	0	1	2	3	4	5
No changes since the 2021 Index.						
17. The government has formulated, adopted or implemented a code of conduct for public officials, prescribing the standards with which they should comply in their dealings with the tobacco industry. (Rec 4.2); <i>1 for whole of government code; 2 for Yes but partial if only MOH</i>				4		
Code of Ethics (33 PNCA §601) ³⁸ calls for transparency, prohibits conflicts of interests, requires disclosures of potential conflict of interests, mandates financial disclosures, and regulates acceptance and use of contributions by government employees, candidates, and public officials. However, it doesn't specifically address the tobacco industry.						
No changes since the 2021 Index.						
18. The government requires the tobacco industry to periodically submit information on tobacco production, manufacture, market share, marketing expenditures, revenues and any other activity, including lobbying, philanthropy, political contributions and all other activities. (5.2)						5
Because tobacco excise tax is based on the weight of tobacco per tax legislation (RPPL 9-15) ³⁹ companies are required to report this information upon import. Customs also require that quantity and CIF information be provided while license requirements are spelled out in tobacco control legislation (PNC Title 11, Chapter 17) ⁴⁰ . No requirements exist that mandate the tobacco industry to periodically submit information on tobacco production, manufacture, market share, marketing expenditures, revenues, and any other activity, including lobbying, philanthropy, political contributions, and all other activities.						
19. The government has a program / system/ plan to consistently ⁴¹ raise awareness within its departments on policies relating to FCTC Article 5.3 Guidelines. (Rec 1.1, 1.2)						5
While there are ad hoc presentations and information via social media, there is nothing set up to consistently raise awareness within government departments on policies relating to WHO FCTC Article 5.3.						
20. The government has put in place a policy to disallow the acceptance of all forms of contributions/ gifts from the tobacco industry (monetary or otherwise) including offers of assistance, policy drafts, or study visit invitations given or offered to the government, its agencies, officials and their relatives. (3.4)				4		
Code of Ethics (33 PNCA §601) ⁴² calls for transparency, prohibits conflicts of interests, requires disclosures of potential conflict of interests, mandates financial disclosures, and regulates acceptance and use of contributions by government employees, candidates, and public officials. However, it doesn't address dealing specifically with the tobacco industry.						
No changes since the 2021 Index.						
TOTAL SCORE					39	

³⁸op.cit. Code of Ethics

³⁹ op.cit. RPPL 9-15 Tax legislation

⁴⁰ op. cit. Palau National Code, Title 11, Chapter 17

⁴¹ For purposes of this question, "consistently" means: a. Each time the FCTC is discussed, 5.3 is explained. AND b. Whenever the opportunity arises such when the tobacco industry intervention is discovered or reported.

⁴²op. cit. Code of Ethics

Annex A: Sources of Information

	TOP TOBACCO COMPANIES/ DISTRIBUTORS	MARKET SHARE	BRANDS	SOURCE
1	Western Caroline Trading Company (WCTC)			Bureau of Customs & Border Protection
2	Palau Investment & Development Company (PIDC)			Bureau of Customs & Border Protection
3	Shimbros International Incorporated			Bureau of Customs & Border Protection
4	Palau Western Pacific Import			Bureau of Customs & Border Protection
5	Palau Trading			Bureau of Customs & Border Protection

	TOP MEDIA/ NEWSPAPERS	URL
1	Tia Belau	https://www.tiabelaunews.com/ https://www.facebook.com/tiabelau/ print copy is 2x/week
2	Island Times	https://islandtimes.org/ https://www.facebook.com/islandtimespw/ Print copy is 2x/week
3	Echo Paradise/EPFM/EPAM (Public & Government Service) Radio: FM 87.9 AM 1584 TV: Channel 1	Social Media: https://www.facebook.com/divisionofmedia
4	TMC Palau TV: Channel 38	Social Media: https://www.facebook.com/talungabmediacompany TMC Palau YouTube Channel
5	Palau Wave Radio/Television Radio: FM 89.9 TV: Channel 24	Social Media https://www.facebook.com https://palauwaveradio.com Palau Wave Productions YouTube Channel

Annex B - Question 4

List of attendees to the COPs 1- 9 and INB sessions <http://www.who.int/fctc/en/>

COP 1	Dr. C.T. Otto, Chairman, Committee on Health, the Senate, OEK
COP 2	Dr. C. Otto, Chairman, Committee on Health and Education
COP 3	Dr. C. Otto, Senator
COP 4	Dr. Stevenson Kuardei, Minister of Health, Dr. Caleb Otto
COP 5	Dr. C. Otto Dr. Stevenson Kuardei, Minister of Health John Tarkong, Jr., Chief Tax Roman Oseked, Sr. TC Focal Point
COP 6	Mr.Kambes Kesolei
COP 7	Mrs. E. Temengil, Chief, Division of Behavioral Health, MOH Mr. O. Kesolei, CTFP
COP 8	Ms E.J. Temengil Chief, Division of Behavioral Health, MOH
COP 9	Ms. Candace Koshiba, Program Manager/FCTC National Focal Point, Ministry of Health & Human Services
INB 1	Dr C.T. Otto, Senator, National Congress (OEK)
INB 2	none
INB 3	none
INB 4	none

Annex C: Photos

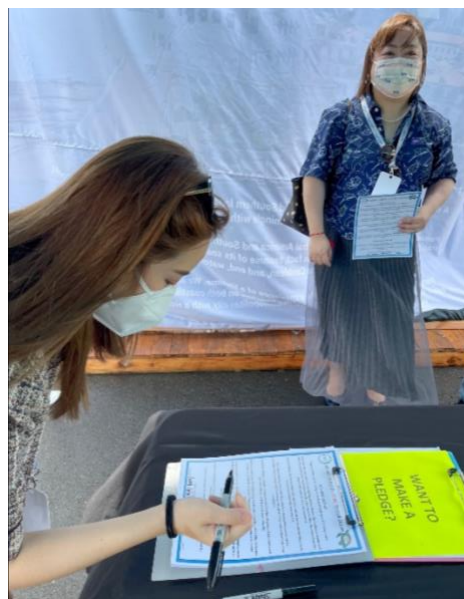
Our Oceans Conference – Palau, April 2022



Pledge available for Our Oceans booth visitors to sign.



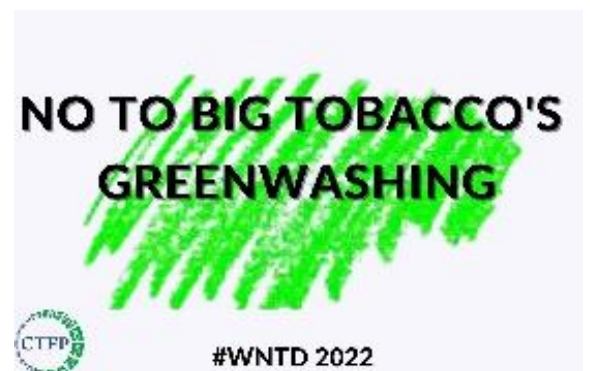
Palau's President Surangel Whipps Jr. signs Pledge at CTFP Our Oceans booth. Below, other visitors signing the Pledge.



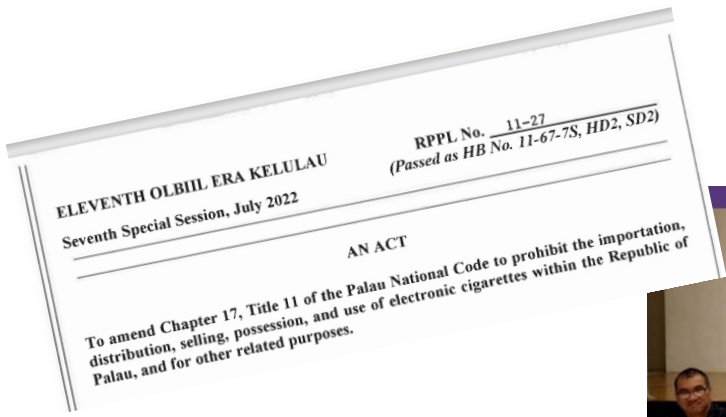
Annex C: Photos World No Tobacco Day – June 1, 2022



Above, CTFP members pose with Palau's President, Surangel Whipps, Jr. at WNTD 5K walk/run. Below, nurse participants pose with signs about greenwashing and how cigarettes are toxic to our ocean.



Annex C - Photos New legislation on e-cigarettes



Legislation passed in March 2023
and came into effect May 29, 2023.



THIS IS PALAU Thursday, March 30, 2023 Palau's First Newspaper

TIABELAU

"The government shall take no action to deny or impair the freedom of expression and of press."

Volume 32 • Issue 26 • tiabelaunewspaper@gmail.com Article 4, Section 2-Palau Constitution

OEK to oversight unfinished \$28M sewage project financed by ADB loan

Former Aimeilik Delegate to be laid to rest

Palau bans e-cigarettes (vapes)

US regulators sue cryptocurrency exchange giant Binance

Work of Kraemer Ethnography Translation Committee ends

Successful footballer dies at 113

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UN head says survival depends on how people manage water

Palau Tennis Federation elects new officers

Whips

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