RESOURCES EFFICIENCY, SAFEGUARDING NATURAL AND CULTURAL RESOURCES: SUSTAINABLE TOURISM POLICY AND PRACTICES

IMPLEMENTATION & CHALLENGE FOR INITIATIVES AND PROGRAMS

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Director for Infrastructure Development and Tourism Ecosystem
Ministry of Tourism, Republic of Indonesia
Papua New Guinea, March 21st, 2017
OUTLINE

A. Strategic Situation Analysis
   (SWOT, Stakeholder Mapping)
B. Strategy Formulation
C. Program Initiatives
D. Challenges and Actions Forward
A. Strategic Situation Analysis

ISSUES AND CONCERNS

- Climate Changes
- Tourism Resources and Endowment
- Middle Class Income
- Social – Culture Preservation
- Gender
- Poverty Alleviation and Reduction
- Sustainable Development Goals Agenda
- Local People Engagement in Tourism
- Gender
- Local People Engagement in Tourism
## A. Strategic Situation Analysis

### ASIA TOURISM

<table>
<thead>
<tr>
<th>Rank</th>
<th>Country</th>
<th>2014</th>
<th>2013</th>
<th>% Change (2013 to 2014)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Tiongkok</td>
<td>129.1 million</td>
<td>116.9 million</td>
<td>10.40</td>
</tr>
<tr>
<td>2</td>
<td>Thailand</td>
<td>24.8 million</td>
<td>26.5 million</td>
<td>6.70</td>
</tr>
<tr>
<td>3</td>
<td>Malaysia</td>
<td>27.4 million</td>
<td>20.9 million</td>
<td>6.70</td>
</tr>
<tr>
<td>4</td>
<td>South Korea</td>
<td>13.98 million</td>
<td>11.8 million</td>
<td>17.20</td>
</tr>
<tr>
<td>5</td>
<td>Singapore</td>
<td>15.1 million</td>
<td>14.2 million</td>
<td>2.00</td>
</tr>
<tr>
<td>6</td>
<td>Japan</td>
<td>13.4 million</td>
<td>10.4 million</td>
<td>29.40</td>
</tr>
<tr>
<td>7</td>
<td><strong>Indonesia</strong></td>
<td><strong>9.4 million</strong></td>
<td><strong>8.8 million</strong></td>
<td><strong>7.20</strong></td>
</tr>
<tr>
<td>8</td>
<td>Taiwan</td>
<td>7.3 million</td>
<td>8.0 million</td>
<td>9.60</td>
</tr>
<tr>
<td>9</td>
<td>Viet Nam</td>
<td>7.9 million</td>
<td>7.6 million</td>
<td>4.00</td>
</tr>
<tr>
<td>10</td>
<td>India</td>
<td>7.4 million</td>
<td>6.9 million</td>
<td>7.20</td>
</tr>
</tbody>
</table>

### ASIA TOURISM FOREIGN EXCHANGE (million USD)

<table>
<thead>
<tr>
<th>Rank</th>
<th>Country</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Tiongkok</td>
<td>48,464</td>
<td>50,028</td>
<td>51,664</td>
<td>56,913</td>
</tr>
<tr>
<td>2</td>
<td>Thailand</td>
<td>27,184</td>
<td>33,826</td>
<td>42,080</td>
<td>38,437</td>
</tr>
<tr>
<td>-</td>
<td>Hong Kong, SAR</td>
<td>28,455</td>
<td>33,074</td>
<td>38,940</td>
<td>38,376</td>
</tr>
<tr>
<td>3</td>
<td><strong>Malaysia</strong></td>
<td><strong>19,656</strong></td>
<td><strong>20,250</strong></td>
<td><strong>21,496</strong></td>
<td><strong>21,820</strong></td>
</tr>
<tr>
<td>4</td>
<td>Singapore</td>
<td>18,086</td>
<td>18,939</td>
<td>19,301</td>
<td>19,203</td>
</tr>
<tr>
<td>5</td>
<td>India</td>
<td>17,707</td>
<td>17,971</td>
<td>18,397</td>
<td>19,700</td>
</tr>
<tr>
<td>6</td>
<td>Japan</td>
<td>10,966</td>
<td>14,576</td>
<td>15,131</td>
<td>18,853</td>
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<tr>
<td>7</td>
<td>South Korea</td>
<td>12,476</td>
<td>13,429</td>
<td>14,629</td>
<td>18,147</td>
</tr>
<tr>
<td>8</td>
<td>Taiwan</td>
<td>11,065</td>
<td>11,770</td>
<td>12,323</td>
<td>14,618</td>
</tr>
<tr>
<td>9</td>
<td><strong>Indonesia</strong></td>
<td><strong>8,554</strong></td>
<td><strong>9,121</strong></td>
<td><strong>10,054</strong></td>
<td><strong>11,166</strong></td>
</tr>
<tr>
<td>10</td>
<td>Viet Nam</td>
<td>5,710</td>
<td>6,850</td>
<td>7,250</td>
<td>7,330</td>
</tr>
</tbody>
</table>

Source: WTTC; 2014, UNWTO; 2014, ASEAN Secretariat; January 2015
## A. Strategic Situation Analysis

### SWOT ANALYSIS

<table>
<thead>
<tr>
<th>STRENGTH</th>
<th>WEAKNESS</th>
</tr>
</thead>
</table>
| 1. CEO’s Commitment (Politics Commitment - National and Regional/District level)  
2. Law Enforcement and Policies  
3. Private Sector and Business Ecosystem  
4. Human Resources with support from Education Institution  
5. Natural and Cultures Assets and Resources (52 National Parks, World Culture and Natural Heritage, Global Geopark Network) | 1. Poor Access and Infrastructure Development  
2. Social Infrastructure Support  
3. Inbalanced Investment  
4. Limited Communication, Technology and Information  
5. Seasonality in Tourism  
6. Unappropriate Destination Management and Destination Governance  
7. Spatial Planning, STMP and STS |

<table>
<thead>
<tr>
<th>OPPORTUNITY</th>
<th>THREATS</th>
</tr>
</thead>
</table>
| 1. Island, Beach, Coastline, Coral Triangle, Tropical Forest  
2. Strong Public Private Community Partnership  
3. Political Commitment striving for 10 Priority Tourism Destination – Creating 10 New Bali  
4. Economic Growth and Stability  
5. Demography Bonus (middle income, Y and Z Generation Population)  
6. International Support and Commitment  
7. Sharing Economy Business Model | 1. Social/Horizontal Conflict  
2. Ring of Fire  
3. Deforestation  
4. Socio-economic Gap |
## A. Strategic Situation Analysis

### MAPPING STAKEHOLDER: PENTAEHELIX

<table>
<thead>
<tr>
<th>STAKEHOLDER</th>
<th>ROLE AND RESPONSIBILITY</th>
</tr>
</thead>
</table>
| ACADEMICIAN    | 1. Research and Development (STO)  
|                | 2. Capacity Building  
|                | 3. Community Development |
| BUSINESS       | 1. Business Ecocystem  
|                | 2. Market Access  
|                | 3. Financial Access  
|                | 4. Code of Conduct  
|                | 5. Service Level (Servqual, Standard, Certification) |
| COMMUNITY      | 1. Community Engagement  
|                | 2. Ethical Guardian (Interpreter, Dos/Don’t’s, Code of Conduct)  
|                | 3. Small scale business and inclusive tourism |
| GOVERNMENT     | 1. Rules and Regulation Framework, Standard, Accreditation and Certification  
|                | 2. Stimulus Package and Incentive  
|                | 3. Investment and Financial Access  
|                | 4. Planning and Control (STMP, STS, Visitor Management, Risk and Crisis Management) |
| MEDIA          | 1. Paid Media (commercial media indoor/outdoor, printed and digital,) Owned Media (website), social media  
|                | 2. Sense of promotion and reputation |
B. Strategy Formulation

INDONESIA TOURISM: *Strategy Framework*

**National Level**

- **GREAT SPIRIT**
  - Indonesia Bekerja – Wonderful Indonesia

- **GRAND STRATEGY**
  - Directional Strategy: Sustainable Competitive Growth
  - Portfolio Strategy: Integrated e-Tourism Ecosystem

**Industry Level**

- **BUSINESS STRATEGY**
  - Comparative Strategy: Industry Champion
  - Competitive Strategy: Focus, Speed, and Differentiation
  - Cooperative Strategy: Public Private Partnership

**PRIORITIZATION OF TOURISM MARKET**

<table>
<thead>
<tr>
<th>No</th>
<th>Market</th>
<th>Quantity</th>
<th>Market Share</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Singapore</td>
<td>1,634,149</td>
<td>18,57%</td>
<td>4,39%</td>
</tr>
<tr>
<td>2</td>
<td>Malaysia</td>
<td>1,430,989</td>
<td>16,26%</td>
<td>7,15%</td>
</tr>
<tr>
<td>3</td>
<td>Australia</td>
<td>997,984</td>
<td>11,34%</td>
<td>3,78%</td>
</tr>
<tr>
<td>4</td>
<td>Tiongkok</td>
<td>807,429</td>
<td>9,17%</td>
<td>17,57%</td>
</tr>
<tr>
<td>5</td>
<td>Japan</td>
<td>491,574</td>
<td>5,58%</td>
<td>9,07%</td>
</tr>
<tr>
<td>6</td>
<td>Korea, Rep.</td>
<td>343,627</td>
<td>3,90%</td>
<td>10,27%</td>
</tr>
</tbody>
</table>
## B. Strategy Formulation

### TOURISM STRATEGY PORTFOLIO

#### 3 Market/costumer Portfolio dan 9 Product Portfolio

<table>
<thead>
<tr>
<th>Costumers Portfolio</th>
<th>Personal</th>
<th>Business</th>
<th>International</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Domestic Visitor, Individual/Fam Traveller, Community</td>
<td>TO/TA, SME, Association, Regional Government</td>
<td>International Visitor</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Product Portfolio</th>
<th>Nature (35%)</th>
<th>Culture (60%)</th>
<th>Man Made (5%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1. Marine Tourism (35%)</td>
<td>1. Heritage and Pilgrim Tourism (20%)</td>
<td>1. MICE &amp; Events Tourism (25%)</td>
</tr>
<tr>
<td></td>
<td>2. ECO Tourism (45%)</td>
<td>2. Culinary/Gastronomy and Shopping Tourism (45%)</td>
<td>2. SPORT Tourism (60%)</td>
</tr>
<tr>
<td></td>
<td>3. Adventure Tourism (20%)</td>
<td>3. City and Village Tourism (35%)</td>
<td>3. Integrated Area Tourism (15%)</td>
</tr>
</tbody>
</table>

Source: Passenger Exit Survey, 2014
**B. Strategy Formulation: MARKETING**

<table>
<thead>
<tr>
<th>DESTINATION (DESTINASI)</th>
<th>Great Bali, Great Jakarta, Great Batam</th>
</tr>
</thead>
<tbody>
<tr>
<td>ORIGIN (ASAL)</td>
<td>Tiongkok, Singapore, Malaysia, Australia, and Japan</td>
</tr>
<tr>
<td>TIME (WAKTU)</td>
<td>Market Seasonality</td>
</tr>
</tbody>
</table>

1. **International Event** : H-2 Months  
2. **Regional Event** : H-1 Month  
3. **Regional Event (Border)** : H-1 Week

**Timing** is the most important

Timing is the most important

1. **International Event** : H-2 Months  
2. **Regional Event** : H-1 Month  
3. **Regional Event (Border)** : H-1 Week

**MARKETING STRATEGY**
- **Destination**
- **Origin**
- **Timeline**

**PROMOTION STRATEGY**
- **Branding**
- **Advertising**
- **Selling**

**MEDIA STRATEGY**
- **Paid Media**
- **Owned Media**
- **Social Media**
- **Endorser**

**PROMOTION TIME**
- **Pre Event**
- **On Event**
- **Post Event**

*Timing is the most important*

**MARKETING STRATEGY**
- **Destination**
- **Origin**
- **Timeline**

**PROMOTION STRATEGY**
- **Branding**
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- **Selling**

**MEDIA STRATEGY**
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**MARKETING STRATEGY**
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**PROMOTION STRATEGY**
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- **Owned Media**
- **Social Media**
- **Endorser**

**PROMOTION TIME**
- **Pre Event**
- **On Event**
- **Post Event**

*Timing is the most important*
B. Strategy Formulation

Policy Support: Indonesia Sustainable Tourism

INDONESIA SUSTAINABLE TOURISM DEVELOPMENT

TOURISM LAW NO 10/2009

MASTER PLAN OF NATIONAL TOURISM DEVELOPMENT 2010-2025

SUSTAINABLE TOURISM DEVELOPMENT

Masterplan of Acceleration & Expansion of Indonesian Economic Development 2011-2025

Government Work Plan (Yearly-based)

Medium to Long Term Development Plan 2010 – 2014

Strategic Plan (RENSTRA) of Ministry of Tourism & Creative Economy 2012-2014

Implementation by all tourism stakeholders

Sustainable Tourism in Indonesia

1. Pro-poor,
2. Pro-growth,
3. Pro-job, and
4. Pro-environment

Improving quality of life

Strengthening cultural & social values

Creating value added
B. Strategy Formulation
Policy Support: Indonesia Sustainable Tourism

**National Development Plan 2005-2025**
Tourism Development must also be based on the principles that tourism must protect and conserve the environment holistically.

**Tourism Act, Law no.10/2009**
Sustainability must encompass the natural, social, economic and cultural environment.

**Guideline on Sustainable Destination Development**
Referring to UNWTO and GSTC.

**Guideline on Sustainable Tourism Observatory**
Referring to UNWTO.

**Guideline on Sustainable Tourism Certification**

**Green Homestay Development**
Started in 2004 A guidelines on how to develop homestay as “micro small medium enterprises”

**The Adoption of Green Hotel Standard**
An environmentally friendly and adopts energy conservation measures relate to environmentally policy, green product, community empowerment, waste management, energy efficiency.

**Eco-Guide Standard**
in 2009 Indonesia set up the standard for ECOGUIDE in order to increase professionalism and quality of guide as well as the ecotourism.

**Development of Park and Garden**
2011 Indonesia started to design a guideline on how to develop park and garden.
B. Strategy Formulation

Sustainable Tourism Ecosystem: Transformation To Quality of Tourism

Ecosystem (Ecology)
- Human
- Flora
- Fauna
- Land
- Natural resources

Ecosystem (Business)
- Value Chain
- Supply
- Demand
- Trend consumer
- Competence
- Leadership
- Innovation
- Partnership
- Service Quality

Ecosystem (Tourism)
- Security
- Health & Safety
- Lodging & Food
- Tourism Investment Promotion
- MICE
- Culture
- Nature, Sun & Beach
- Sport
- Travel Service
- Accessability
- Connectivity
- Tourism DNA: Sense of Place (inner place)
- Tourism Investment Promotion

Nature Balance and Environmental linkage
Value Chain and Business Environment
Presenting the Future, Economics, Aesthetics, Ethics, Exploration, Transformation, Creativity, Harmony, Balancing, Convergence

Source: preparations of various references, Teguh, 2016
B. Strategy Formulation

SUSTAINABLE PROGRAM: FRAMEWORK
Concept of Sustainable Development Framework in Tourism


**BACKGROUND**
- UNWTO
- GSTC
- Sustainable Development Goal
- Agenda 21
- Sustainable Consumption and Production
- Local Knowledge and Local Wisdom

**SUSTAINABLE DEVELOPMENT IN TOURISM**

- Sustainable Consumption and Production
- Local Knowledge and Local Wisdom

**STREAM-LINING SUSTAINABLE DEVELOPMENT IN TOURISM**

**QUALITY OF TOURISM**
- Economic
- Recreation
- Education
- Ecology
- Social/Culture
- Local Community
- Sustainable Principles
- Sustainable Livelihood

**PROGRAM**
- National Sustainable Tourism Council dan/ Sustainable Tourism Stewardship Council
- Launch STD, STO, STC, and global network (INSTO/WISNTO)
- Destination Scoping
- Sustainable Tourism Training
- On Site Destination Assessment
- Sustainable Tourism Strategy

**ACTION PLAN**
- Ecolabel and LCD
- Green Tourism, Green Hotel
- Accreditations
- Certification
- Adaptation & Mitigation
- School of Interpretation

*Sumber: Kemenpar, 2015*
B. Strategy Formulation

SUSTAINABLE TOURISM PROGRAM IN INDONESIA 2019

- Sustainable Development in Tourism
- Economic Development
- Community Development
- Environmental Protection
- Recommodation
- Research and Monitoring
- Accreditation
- Certification

STO: Sustainable Tourism
STD: Sustainable Development
STC: Sustainable Tourism Certification
## C. Program Initiatives

### SUSTAINABLE TOURISM PROGRAM: Roadmap 2019

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018 Baseline</th>
<th>2019 Projection</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Planning</strong></td>
<td>Sustainable Tourism Master Plan and Strategy</td>
<td>Baseline</td>
<td>• Sustainable Tourism Destination Quality</td>
</tr>
<tr>
<td></td>
<td>Development Guidelines</td>
<td>Projection</td>
<td>• Sustainable Tourism Observatories</td>
</tr>
<tr>
<td></td>
<td>National Action Plan</td>
<td></td>
<td>• Sustainable Certification</td>
</tr>
<tr>
<td></td>
<td>STD,STO,STC</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Stakeholder Commitment &amp; MOU/Destination Contract</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Implementation</strong></td>
<td>Assessment</td>
<td>Baseline</td>
<td></td>
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<tr>
<td></td>
<td>Capacity Building, Advocacy</td>
<td>Projection</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Certification Body</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Pilot Project Prototyping/Demo plot</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Practices</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Audits/Control</strong></td>
<td>Monitoring Centre</td>
<td>Baseline</td>
<td>• ISTA</td>
</tr>
<tr>
<td></td>
<td>Certification and Accreditation</td>
<td>Projection</td>
<td>• ASTA</td>
</tr>
<tr>
<td></td>
<td>ISTA and ASTA</td>
<td></td>
<td>• Sustainable Certification</td>
</tr>
<tr>
<td></td>
<td>International Award/Green Destination</td>
<td></td>
<td>• Monitoring Centre</td>
</tr>
<tr>
<td></td>
<td>Sustainable Conference</td>
<td></td>
<td>• Sustainable Destination Audit</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Impact</strong></td>
<td>15 Million/ 13%</td>
<td>17 Million/ 14%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>20 Million/ 17%</td>
<td></td>
</tr>
</tbody>
</table>
C. Program Initiatives

Sustainable Tourism Programs

Counterpart:
1. GTSC
2. National Working Group
3. 20 Regions
4. UNSDSN

Counterpart:
1. UNWTO
2. 5 Regions (Prototyping)
3. 5 Universities (Prototyping)
4. National Secretariat

Counterpart:
1. GTSC
2. Earthcheck/Certification Body
3. GIZ
4. National Working Group

Business Development & Marketing New Destination & Market Connect

Awards  Marketing  Leadership  Networking
C. Program Initiatives

### STD

- National Guidelines on Sustainable Tourism Program
- Sustainable Tourism Strategy Platform
- Sustainable Tourism Master plan
- MoU and Destination Contract on Sustainable
- National and International Assessor Training Program
- Facilitator and Local Partner Training
- International Conference
- National Conference on STD
- Prototyping 10 Priority Destination

### STO

- National Guidelines on STO
- Prototyping 5 STOs
- STO:
  - Pre-Establishment
  - Acceptance Procedure
  - Stakeholder Engagement
  - Developing Issues and Indicators
  - Monitoring and Reporting
  - Communication and information sharing

### STC

- National Guidelines on STC
- Certification in Sustainable Destination
- Training for Assessors
- Cooperation with GIZ, Earthcheck
- Prototyping 3 destinations

### SCOPING

- Economic
  - Capacity Building Local Community
  - Training for Trainers
- Community
  - Empowerment facilitators and local partners
- Environment
  - Climate Change Response

### KEY MEASURES

- Research
  - Field Research
  - Action Research
- Reporting
  - National Conference on STO
- Recommendations
  - National Conference on STO (Wonderful Indonesia Sustainable National Tourism Observatory/WINSTO)
  - INSTO

- Assessment
  - Comprehensive and snapshot assessment
- Accreditation
  - National Agency
- Recommendation
  - Indonesia Sustainable Tourism Award
  - ASEAN Sustainable Tourism Award
  - Labelling
C. Program Initiatives

2017 PROGRAM HIGHLIGHTS

1. INTERNATIONAL CONFERENCE ON SUSTAINABLE DEVELOPMENT COOPERATION WITH UNWTO, GSTC, SWISS CONTACT, GIZ (TIME: OCTOBER 2017 VENUE: YOGYAKARTA/ BALI)

2. WONDERFUL INDONESIA NETWORK SUSTAINABLE TOURISM OBSERVATORY

3. SUSTAINABLE TOURISM CERTIFICATION, INDONESIA SUSTAINABLE TOURISM AWARDS, ASTA AWARDS

4. PROTOTYPING IMPLEMENTATION STD 20 REGENCY, 10 DESTINATIONS PRIORITY DESTINATIONS, 10 ECOTOURISM SITE
### C. Program Initiatives

**STD: National Sustainable Destination Criteria**

<table>
<thead>
<tr>
<th>SECTION A: Demonstrate effective sustainable management</th>
<th>SECTION B: Maximize economic benefits to the host community and minimize negative impacts</th>
<th>SECTION C: Maximize benefits to communities, visitors, and culture; minimize negative impacts</th>
<th>SECTION D: Maximize benefits to the environment and minimize negative impacts</th>
</tr>
</thead>
<tbody>
<tr>
<td>A1 Sustainable destination strategy</td>
<td>B1 Economic monitoring</td>
<td>C1 Attraction protection</td>
<td>D1 Environmental risks</td>
</tr>
<tr>
<td>A2 Destination management organization</td>
<td>B2 Local Career Opportunity</td>
<td>C2 Visitor management</td>
<td>D2 Protection of sensitive environments</td>
</tr>
<tr>
<td>A3 Monitoring</td>
<td>B3 Public participation</td>
<td>C3 Visitor behavior</td>
<td>D3 Wildlife protection</td>
</tr>
<tr>
<td>A4 Tourism seasonality management</td>
<td>B4 Local community opinion</td>
<td>C4 Cultural heritage protection</td>
<td>D4 Greenhouse gas emissions</td>
</tr>
<tr>
<td>A5 Climate change adaptation</td>
<td>B5 Local access</td>
<td>C5 Site interpretation</td>
<td>D5 Energy conservation</td>
</tr>
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C. Program Initiatives

STD Highlights: National Sustainable Destination Standard, GSTC Recognition

Highlight and Progress:

- **Green Tourism**
  - Green Investment and Finance;
  - Green Building, Hotel and Homestay;
  - Green Province/Destination.

- **Adaptation and mitigation program**;
  - Reduce, Recycle, Reuse;
  - Energy Efficiency Program;
  - Tree Adoption and Coral Reef Plantation

- **Climate Change Responsive Program**;
- **Ecolabelling**;
- **Ecotourism**
- **Sustainable Strategy and Master Plan**
C. Program Initiatives

LAUNCHING MONITORING CENTRE FOR SUSTAINABLE TOURISM OBSERVATORY (MCSTO)

Subject: Acceptance of Indonesian Sustainable Tourism Observatories as members of the UNWTO International Network of Sustainable Tourism Observatories (INSTO).

Dear Minister,

This is in reference to your letter of support of 19 April 2016 endorsing the applications of the destinations a) West Lombok Regency; b) Pangandaran Regency and c) Sleman Regency to become part of the UNWTO International Network of Sustainable Tourism Observatories (INSTO).

I am pleased to inform you that the Centre for Tourism Planning and Development of the Bandung Institute of Technology, responsible for monitoring sustainable tourism in Sengiggi and Seringgigi Lombok Barat (West Lombok Regency); the Master and Doctor Tourism Program of the Graduate School of Gadjah Mada University, responsible for monitoring sustainable tourism in the Pangandaran Regency; and the Faculty of Economics of Mataram University, responsible for monitoring sustainable tourism in the Sleman Regency have been accepted and are now members of the INSTO initiative.

I also wish to thank you for the coordination and continuous support provided by your Ministry, which led to the establishment of the observatories. I am confident that this step of introducing regular and timely measurement of tourism performance at destination level will be of high benefit for all participating stakeholders and the sustainable development of the tourism sector in Indonesia.

The establishment of these three new observatories is also very much welcomed within the framework of the upcoming celebrations of the 2017 International Year of Sustainable Tourism for Development, where observatories will be prominently featured as crucial elements for ensuring the sustainable development of the tourism sector.

Looking forward to a fruitful cooperation, please accept, dear Minister, the assurances of my highest consideration.

Tebel Rilai
H.E. Mr. Arief Yahya
Minister of Tourism
Ministry of Tourism
Jalan Medan Merdeka Barat, 17
Jakarta 10110
Indonesia

Ref: SD/TINS/STO/L.002/2016
Madrid, 7 September 2016
C. Program Initiatives
UNWTO STO FOR INDONESIA

**MISSION:**
“to promote sustainable tourism development and build the global-local linkages”

**UNWTO Report**
Report for the locals according to their needs WTO

**Sleman, Yogyakarta**

**Sanur, Bali**

**Pangandaran, West Java**

**Samosir, Toba North Sumatera**

**West Lombok, West Nusa Tenggara**

**Current STO**
C. Program Initiatives
Sustainable Tourism Observatory (STO): Guideline Sustainable Tourism Observatory

Organization Chart For MCSTO Indonesia

UNWTO Sustainable Tourism Development Program

Ministry Of Tourism
- National Secretary
- National Monitoring Centre

INSTO
International Level

WINSTO
National Level

Monitoring Centre
Region/District/Destination

INSTO (International Network Sustainable Tourism Observatory)
WINSTO (Wonderful Indonesia Network Sustainable Tourism Observatory)
Sustainable Tourism Observatory (STO): Monitoring Centre - ITB / STO Pangandaran
## Sustainable Tourism Issues and Key Monitoring Indicator in Batukaras Village

<table>
<thead>
<tr>
<th>Destination Trends/Issues on Sustainable Tourism</th>
<th>Key Monitoring Indicators</th>
<th>Conclusions</th>
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</thead>
<tbody>
<tr>
<td><strong>Local Satisfaction with Tourism</strong></td>
<td></td>
<td>a. tourism can <strong>generate job and contribute to local economy</strong>,&lt;br&gt;b. local communities have a low level of satisfaction with tourism and there is complaint against tourism because of only a few of local people gain benefit from tourism.</td>
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<td><strong>Employment</strong></td>
<td>a. Increase of jobs in the tourism sector;&lt;br&gt;b. The needs of training;</td>
<td>There is a need for training and education in tourism business and service excellent for local communities in order to increase not only a local satisfaction but also a tourist satisfaction</td>
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<td><strong>Tourism Seasonality</strong></td>
<td>a. Tourism arrivals by month (distribution throughout the year);&lt;br&gt;b. % of annual tourist arrivals occurring in peak month/peak quarter;&lt;br&gt;c. Ratio of number of tourists in peak month/quarter to lowest month/quarter;</td>
<td>the ratio of number of domestic tourist in peak month to lowest month are in range 4:1 to 9:1 and the ratio of number of international tourist in peak month to lowest month are in range 3:1 to 78:1</td>
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<tr>
<td><strong>Community and Destination Economic Benefits</strong></td>
<td>a. Tourism income generated by tourism retribution;&lt;br&gt;b. Increase expenditures of local communities;</td>
<td>tourism retribution has increased from year to year and local community believed that tourism in Batukaras has increased the expenditures of local communities.</td>
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<td><strong>Solid Waste Management</strong></td>
<td>a. Waste collection program (Beach clean activities);&lt;br&gt;b. The schedule of waste transporter;</td>
<td>a. need for the establishment of marine litter monitoring programs&lt;br&gt;b. Having routine programs, such as beach cleans-ups&lt;br&gt;c. recycling programs</td>
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C. Program Initiatives

STC:
SNAPSHOT
ASSESSMENT

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<th>CRITERIA</th>
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<th>Lombok</th>
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<td>A2 Destination management organization</td>
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Private Initiatives:
The Green and Sustainable Ecosystem Tourism Development
Criteria:
1. Destination Management
2. Nature & Scenery
3. Environment & Climate
4. Culture & Tradition
5. Social Well-being
6. Hospitality

PRIVATE INITIATIVE:
2016 SUSTAINABLE DESTINATIONS TOP 100
(GREEN DESTINATION/ INDONESIA)
MISOOL ECORESORT, RADJA AMPAT & PLATARAN L’HARMONIE

Misool is a diving resort and conservation center located in the remote islands of Raja Ampat, Indonesia. Created by a group of passionate divers and nature lovers, this operation aligns the objectives of sustainable tourism and marine conservation. Misool established its own Marine Protected Area, effectively protecting 1.220 sq km of the world’s richest reefs together with the local villages. This creates unparallel wildlife experiences for guests while maintaining healthy fish stocks for neighboring communities.

Plataran L’Harmonie is a nature based ecotourism destination located in West Bali Barat National Park. This destination is dedicated to the protection of its nature, wildlife and landscape. Moreover, it organizes numerous nature conservation programs which involve different stakeholders and also provides environmental education to its employees as well as to the community and the public. Plus, it also gives employment priority to the residents of the Pejarakan village which results in 90% of employees being locals. Moreover, it also actively promotes local produce.
Private Initiative: MELIA HOTEL, BALI

“Show your Organization is Serious about the environmental, social, and economic performance of your organization”

Earth Check Platinum Certificate & member of Green Pearls Unique Places, a commitment to sustainable company. TripAdvisor Hall of fame Award, 5 consecutive years achieving Certificate of Excellence.
### D. CHALLENGES AND ACTIONS FORWARD:

| REGULATION | • Political Will & CEO’s Commitment (Bali Green Province: Green Economy, Green Cluster, Energy Efficiency, Green Product, Low Carbon Destination, Bali Clean and Green), Aceh Green Policy, Environmentally Friendly Hotel (Incorporation with UNWTO, GSTC, UNSDSN), Undertaking Sustainable Tourism Destination, Sustainable Tourism Award, Sustainable Tourism Observatories, Sustainable Tourism Certification Program  
|• Local Stakeholder Awareness (Sense of Ownership And Responsibility)  
• Social inclusion programme: homestay, rural tourism, community base tourism |
| BUSINESS | • Market Access and Incentives  
• Tourism Value Chains, Tourism Ecosystem, Linkage/Supply Chain Of The Product And Market |
| TECHNOLOGY | • Product Development-characters/Uniqueness, Sense of Place, Differentiation And Diversification of The Product, Seroquel, Standard-Accreditation and Certification), National Level and Regional Hub For Sustainable Tourism in ASEAN and PACIFIC  
• Sustainability Growth (Tourism Magnitude: size, sustainability and spread) |
| HUMAN CAPITAL | • Human Resources Capabilities and Skills Sets (Soft and Hard Skill including Communication, Information and Technology, Interpretation Technique)  
• Social Infrastructure Support and Community Based Tourism as well as Inclusive Tourism Development Towards Green and Sustainable Tourism Ecosystem Development |
“There is no beauty in the finest clothes if it makes hunger and unhappiness”

“Earth Provides enough to satisfy every man’s need, but not every man’s greed”

- Mahatma Ghandi

“Don’t judge each day by the harvest you reap, but buy the seeds that you plant”
- Robert Louis Stevenson

“The earth will not continue to offer its harvest, except with faithful stewardship. We cannot say we love the land and then take steps to destroy it for use by future generation”
- Pope John Paul II