

Country/region
Indonesia

Sustainable Tourism Development in Indonesia (STDI)

Rationale

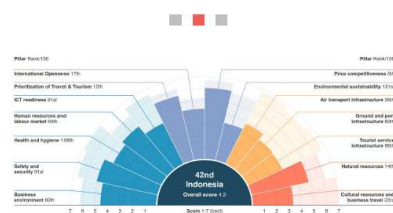
For Indonesia, tourism is a promising sector that can help the country achieve inclusive and sustainable growth. With tourism destinations strewn over the archipelago, the sector has a potential to help reduce regional economic disparities. Indonesia is ranked 42nd out of 141 countries in the World Economic Forum's 2017 Travel and Tourism Competitiveness Report. The natural (14th) and cultural resources (23rd) sub index, which represent the main motivations for travel, also rank Indonesia highly. However, Indonesia lags behind its neighbour countries on other important indicators, such as enabling environment (87th), infrastructure (66th) and environmental sustainability (131st), which are essential to develop a world-class tourism industry. In its National Medium-Term Development Plan 2015-2019, the Government of Indonesia (GoI) has set a number of objectives to enhance tourism's role in the Indonesian economy, including allocating significant funding to line ministries for promotional activities and supporting infrastructure. However, without effective regulation and workforce, such efforts would only help to overcrowd tourism destinations, erode natural and cultural resources, and damage long term socio-economic potential of tourism sector. To address the condition, at the request of the GoI, a sustainable tourism programme was developed using Swiss expertise in supporting tourism development.

Objective and activities

A comprehensive programme for sustainable tourism development has been designed with the support of the Swiss Government in order to support Indonesia in building a high-quality tourism industry and leverage its abundant tourism assets in a sustainable manner.

The program's overall goal is to support Indonesia in realizing its tourism potential by enhancing competitiveness and sustainability of tourism destinations, as well as developing a competent skilled workforce. The strategy involves a series of actions organized around three pillars. Each pillar focuses its assistance on a certain level in order to provide support in a holistic manner:

Sustainable Tourism Development Indonesia Program (STDI)



Impact:

Indonesians in selected tourism destinations have more employment and income opportunities from inclusive and sustainable economic growth

Total visitor (deemed exports) for Indonesia → \$ 13bn in 2016



WEF T&T Competitiveness Index 2017

out of 136 countries max 7

Overall ranking



Environment Sustainability



Pillar 1 (macro level): To strengthen conditions and capabilities for planning and monitoring of sustainable tourism by improving coordination at national level and with the private sector; to prepare three integrated tourism master plans for approval; and to support the establishment of an efficient monitoring mechanism for sustainable tourism development.

Pillar 2 (meso level): To contribute to skills development, resulting in a better qualified workforce and more jobs in the sector, by improving the relevance of education and training; to institutionalize relations between training institutions and the private sector; and to strengthen the Education and Training Network within Indonesia.

Pillar 3 (micro level): To contribute to the sustainable development of Flores and Wakatobi tourism destinations by building awareness and preparing local stakeholders for the formulation and implementation of tourism development plans; to strengthen backward linkages; and to foster knowledge exchange about local conditions.

Governance structure

Pillar 1 is implemented by the World Bank and Swisscontact is in charge for implementing Pillar 2 and 3. At the programme level, a Steering Committee meets once a year to provide cross-pillar guidance and direction and ensure alignment of the programme with the GoI policies. At the pillar level, coordination and work plans are discussed in semi-annual Pillar Steering Committee meetings.

Expected Results

2017 (Baseline) STDI Long-term outcome⁶



¹ source: UNWTO STATISTICS 2017
² source: WITTC 2016, direct, indirect and induced
³ source: Indonesian Statistics Office BPS, including the districts Manggarai Barat and Wakatobi
⁴ source: WISATA Exit Survey
⁵ source: Indonesian Statistics office BPS, including Lombok Barat, Tengah, Timur, Utara and Kota Mataram
⁶ Competitive and sustainable destinations and a skilled work-force contribute to economic, environmental and social sustainability of tourism in Flores, Wakatobi and Lombok