

Sustainable Tourism Development in Indonesia – Multi Donor Trust Fund

Rationale

Tourism is a promising sector that can support a sustainable growth for Indonesia. Spread across the archipelago, tourism has the potential to contribute in reducing regional economic disparities. The World Economic Forum's Travel and Tourism Competitiveness Report 2017 ranks Indonesian tourism at 42nd (out of 141). While the country performs well on natural (14th) and cultural resources (23rd) sub-ranking, it lags behind 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.

The Government of Indonesia (GoI) has set objective to enhance the role of tourism in the economy and has allocated significant funds to budget 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, with Swiss expertise in supporting tourism development, sustainable tourism programme was developed at the request of the GoI.



Komodo National Park at Labuan Bajo, a UNESCO heritage site
(Photo: Ministry of Tourism, Republic of Indonesia)

Objective and activities

The STDI programme aims to increase sustainability of tourism in Indonesia by improving competitiveness and sustainability of tourism destinations, and by strengthening skills of tourism workforce. The approach encompasses a set of interventions along three pillars as presented in figure below.

At the macro level, the programme aims to improve framework conditions for sustainable tourism through: development of Integrated Tourism Master Plans (ITMPs) for Komodo National Park (KNP)/ Labuan Bajo in Flores, Bromo–Tengger–Semeru region in East Java, and Wakatobi; capacity building of Sustainable Tourism Observatories (STOs); and support for tourism sector coordination. At the meso level, tourism skills development will be enhanced through assistance for a higher vocational tourism institution (Pillar 2). At the micro-level, focus of the engagement is to raise awareness on sustainable tourism practices and to increase capacity of local stakeholders in Flores and Wakatobi in supporting and implementing the ITMPs whose development is supported through Pillar 1, whereas Pillar 3 will build on the results of previous Swiss-supported tourism project WISATA that runs from 2009 to 2018.

Country/region
Indonesia

Executing agency

Pillar 1: World Bank
Pillar 2: Swisscontact
Pillar 3: Swisscontact

Project duration

2018 – 2022

Total budget STDI

CHF 12,000,000

SECO contribution

CHF 12,000,000

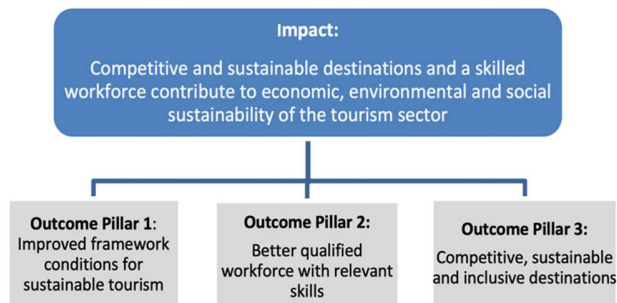
Total budget STD-MDTF

CHF 3,800,000

SECO contribution

CHF 3,800,000

Pillar 1 of the programme will be materialized through a project called Sustainable Tourism Development Multi Donor Trust Fund (STD-MDTF). STD-MDTF aims to foster strengthened conditions and capabilities for coordination, planning and monitoring of sustainable tourism at the national and destination level in Indonesia. Established in 2017, STD-MDTF will cover activities across three components: (i) *Component 1*: Strengthening institutional arrangements for sustainable tourism development; (ii) *Component 2*: Preparation of sustainable tourism plans; and (iii) *Component 3*: Improving sustainable tourism monitoring and statistics.



Governance structure

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

Results to date

Institutional arrangement: Hands-on service on coordinating mechanism for sustainable tourism development are continuously provided by STD-MDTF, in parallel with support to strengthen Project Management Support function at partner government. With support from STD-MDTF, baseline analysis for five sustainable tourism development regional Task Forces were developed. Using collection of the baseline data, the project has established a method to measure satisfaction on performance and effectiveness of the respective tourism coordination platforms at the national, sub-national and local level.

Sustainable Tourism Plans: Through STD-MDTF, progresses have been made on ITMPs preparation for the three new tourism destinations (Komodo National Park (KNP)/ Labuan Bajo, Bromo–Tengger–Semeru and Wakatobi). In 2020, Environmental and Social Management Framework (ESMF), including terms of reference for the new ITMPs, were finalized following series of public consultations. Capacity building and technical advice support were consistently provided by the project during this period.

Sustainable Tourism Monitoring: By late 2019, STD-MDTF provided support to the Ministry of Tourism and Sustainable Tourism Observatories (STOs: monitoring institutions at the destination) with creation of a guide for aligning the STOs with STDI. These STOs thus foresee to provide overview or contextual information about ITMPs and their role in supporting STDI; maintain compliance to UNWTO INSTO requirements, particularly in the scope of monitoring areas or indicators; and provide information on needed indicators for STDI. The guide will also be developed for STOs associated with KNP/ Labuan Bajo, Bromo, and Wakatobi in order for the STOs to achieve UNWTO INSTO status and contribute to monitoring of STDI.