Supporting Tourism Development in Eastern Indonesia
Indonesia has the largest economy in Southeast Asia, stretching across 17,000 islands with an exceptional diversity of cultures, as well as economic differences. The variation between geographical areas is also visible in the living circumstances of its almost 250 million people. Especially in the east, there is a big gap between the majority of the population living in poverty and a select few business owners who have achieved economic success.

This aspect is addressed by development work in Indonesia: The Swiss State Secretariat for Economic Affairs (SECO) supports different projects to improve the competitiveness and integration into the world economy. Swisscontact is a Swiss development organisation with more than 35 years of experience in the region, successfully implementing various projects for the purpose of economic development. Both organisations pursue the goal to alleviate poverty and improve living conditions through direct collaboration with government institutions and local communities.
Besides agriculture, tourism is one of the most important income generating industries in Indonesia. The interaction with local cultures and communities is becoming more important for tourists, fostering a greater interest which often encourages communities to preserve their local cultural values and traditions. Besides attractions, a destination needs professional marketing, high service quality, competitive products as well as sufficient infrastructure. However, this is often not provided in remote areas.

Tourism is a labour intensive service industry with a large potential for creating employment and new business opportunities. The local population can reap economic benefits if actively involved. This is possible in various ways, for example as employees of tourism businesses, producers selling handicrafts as souvenirs, or indirectly, by selling local agricultural products to hotels or restaurants. Through appropriate management of a destination the tourism industry can foster the economy as well as the environment along with facilitating further social advancements.

What are the benefits of supporting tourism development?

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What makes Flores an ideal location?

Currently there is a large imbalance in the Indonesian tourism industry. The internationally renowned island of Bali attracts close to 3 million visitors every year while the eastern province of “Nusa Tenggara Timur”, also known as the small Sunda Islands, is rarely visited. One of the larger islands of this region is Flores: situated in the east of the archipelago the island boasts breathtaking nature on land and under water including jungles, volcanoes, lakes, waterfalls, unique beaches and stunning marine life.

The cultural treasures of the island and its manifold ethnic minorities are remarkable. Spider web-shaped rice fields, traditional family houses, the ‘Caci’ whip fighting and spiritual rituals are all elements deeply rooted in the culture. Another unique attraction is the Komodo dragon: the largest living lizard, at home on the islands of Komodo and Rinca off the coast of western Flores. These and many other attractions make it an ideal destination for adventurers, nature lovers, divers and those interested in cultural enrichment.
Since 2009, a project funded by SECO, which builds on the successes of a previous project, covers the whole island of Flores. This landmark project is carried out in close cooperation with the Indonesian Ministry of Tourism and Creative Economy. The project office is located in Bali, focusing on links to national tour operators with an additional two offices in Flores which are working directly with partners and beneficiaries.

The goal of the project is to increase income and employment of communities in Flores. The local community and government are supported to develop Flores as a competitive and effectively managed destination attracting visitors interested in nature, culture and adventure. A central aspect is the support of a regional Destination Management Organization (DMO). The project supports the DMO and the industry mainly through:

1. Marketing to increase overall awareness
2. Support of communities to develop products and trainings for service quality
3. Support of government institutions to optimize management
DMO Flores

The DMO Flores consists of members of the private sector and is located centrally on the island in the town of Ende. Besides its function as an overarching actor and platform for discussion, the DMO Flores takes a mediating role between its partners and the government as well as promoting the destination on the national and international tourism market. In addition to the regional DMO, each of the eight districts has a local Tourism Management Organization (TMO) for improving local tourism products offered at the district level.

Marketing

One main focus of the Flores DMO is raising awareness about the destination through marketing. A unique Flores branding was developed which provides a strong and recognisable presence in the market. The DMO uses its connecting office in Bali and national and international trade fairs to establish business links with tour operators. Furthermore the DMO was supported in developing attractive promotional tools. Currently, three guide books for specific themes are on sale (people & culture, diving, trekking) as well as a tourist map detailing the most interesting attractions. Selling these products will make it possible for the DMO to sustainably finance its activities.

Collaboration and Coordination

At the destination level the DMO and local TMOs work closely with the government in all eight districts of Flores. The goal is to establish better conditions for the tourism sector. One example is the consulting of responsible actors for infrastructure improvements. Assistance was also given to develop and implement a Tourism Master Plan for Flores to ensure that tourism development on the island will continue in a positive and sustainable manner.

Even though Flores’ DMO is still young, it has already achieved a great deal of positive change and is widely accepted among industry stakeholders who see the benefits of having this kind of organisation which can directly impact on and foster tourism in Flores. The DMO’s existence has helped the private and public sector to establish a common platform for discussion and cooperation, thereby greatly enhancing the experience for both sides and making developments more congruent and sustainable.
Community involvement in Flores

A crucial aspect for Swisscontact is an inclusive approach to tourism management involving the local community. Through their direct involvement in any initiatives it is possible for the Florinese to shape the development of tourism and generate income.

Attraction Management

One example is assistance with managing tourism attractions in a way which meets the expectations of international guests, while at the same time preserving the nature and culture of the island. Wae Rebo, is a frequently-visited traditional village in Flores that is famous for its culture and lifestyle. Swisscontact supports and advises the local Wae Rebo community organisation which is responsible for managing the village’s tourism. The focus was put especially on the right way to handle tourists, as well as sustainably enhancing products and services. Furthermore, villagers could attend an English language training to be able to communicate with tourists more professionally.
**Horticulture Supply Chains**

Two years ago most horticulture products in Flores were imported from surrounding islands. Intending to foster the inclusion of local farmers in the industry, the project offers consulting and training in the area of agriculture. Some central topics are organic production and the identification of clients. In the west, the Manggarai farmer group now produces almost 20 types of organic vegetables. Through this they were able to increase their sales to hotels and restaurants as well as to a new group of clients: ‘Liveaboard’ boats anchoring in Labuan Bajo during dive trips.

Exploiting synergies, supported community-tourism villages such as Wae Rebo, which cannot produce sufficient food to serve staying customers, are linked to these farmer groups. In the east of Flores where tourism is less developed, organic vegetables are still new for businesses. However, the interest of farmers and clients recognising the benefits of organically produced foods is rising slowly but steadily.

**Handicraft Production**

The local communities of Flores produce many traditional handicrafts, yet the most outstanding and well-known are the traditional woven textiles called “Ikat” made in eastern Flores. To link handicraft producers more closely to the tourism trade and make the product more competitive, trainings in product development and financial management were organised. The ‘Sanggar Bliran Sina’ weaving group in the district of Sikka were able to pass on this newly gained knowledge to other weaving groups in Flores, raising the quality and variety of Ikat products overall.

Through these and many other activities Swisscontact is able to foster the involvement of local communities and increase the benefits they draw from the tourism sector. In the future more and more communities can learn from each other and improve their products and processes to earn a sufficient income.
SME Development

A high quality of service offered by small and medium sized enterprises (SMEs) is a key factor for a successful destination. This is an aspect which is still lacking in Flores. Through developing local training and consulting services and direct advice for enterprises, interested businesses have the opportunity to improve their professionalism.

Enterprises

Swisscontact supports almost all sectors of tourism, such as tour guides, hotels, restaurants as well as boat operators. For example, hotels, restaurants and homestays (in Riung and Wae Rebo) were provided with cooking classes to improve their knowledge about food costing, hygiene and restaurant service. Another example is a training given to tour guides and boat crews (in Riung). The training was done to introduce ways of providing better service, as well as facilitating greater awareness about the importance of adhering to safety standards. As a result of this training, all boats now carry life vests as standard equipment.

Developing quality standards

To make general knowledge about service standards available to businesses, toolkits for trainings of different positions in the tourism sector (i.e. housekeeping, cook, tour guide etc.) were developed. The toolkits are based on national standards and first outline certain core competencies with regard to environmental awareness, hygiene and sanitation, customer orientation and others. Each of the toolkits then explains the specific tasks for each individual job. The toolkits can be used by businesses as well as associations and training providers. Through the dissemination of standardised training material, it can be ensured that businesses become more aware of the importance of training in order to maintain quality standards.

Through offering this kind of support specifically for SMEs, a business category present in all sectors in Flores, Swisscontact can help to build a strong base for the private sector in tourism. When even small businesses are able to provide high quality service the overall competitiveness of the destination will be greatly improved.
Natural conservation

Conserving the pristine natural attractiveness of Flores is crucial to sustaining the appeal to tourists seeking an attractive destination. This was further confirmed by the feedback that was gathered from a customer satisfaction survey in which many participants voiced that there needs to be a stronger focus on the problem of solid waste handling.

Solid Waste Management

Facilitated by Swisscontact, a local ‘solid waste management working group’ was established in the area of Labuan Bajo. This forum consisting of government and private sector actors provides a platform for discussion as a basis for finding sustainable solutions. Their “Roadmap: Waste Management 2012-2015” defines required facilities, equipment and actions. Examples include promotional campaigns and awareness raising, waste collection routines and initiatives to reduce plastic waste. The roadmap has been distributed through the local environmental department, indicating that local stakeholders have recognised the importance of a clean city for their future.

Such a comprehensive approach to solid waste management is currently only present in one area of the island. However, there are plans to extend these activities to other parts of Flores and spread the gained knowledge and experience. This could contribute to the entire island becoming cleaner.
What has been achieved?

The Swisscontact project was able to boost the tourism sector of Flores leading to a significant increase of income for hundreds of families. This was proven by a study of the University of St. Gallen. Today, more people visit the idyllic island compared to a few years ago. Since the beginning of the project, international visitor numbers have increased by about 20% and domestic numbers even by 85%. Visitors stay considerably longer and the calculated income has risen by almost 50%.

Flores serves as a positive example for other regions in Indonesia. Valuable experiences can be passed on through an exchange of knowledge between destinations. This will be pursued more rigorously in the future to make sure that other destinations can benefit from the knowledge gained through the initiative in Flores.

A manner of development which preserves natural and cultural resources while being economically sustainable – this is the vision that SECO and Swisscontact would like to pursue with local stakeholders. Although many communities in Flores and the surrounding islands still live in poverty, their chance to earn a sufficient income has risen substantially.
ZEWO-Seal ofApproval: Swisscontact was awarded the Seal of Approval from ZEWO. It is awarded to non-profit organizations for the conscientious handling of money entrusted to them, proves appropriate, economical and effective allocation of donations and stands for transparent and trustworthy organizations with functioning control structures that uphold ethics in the procurement of funds and communication. Swisscontact is regularly audited on the adherence to these criteria. (Source: ZEWO)

Société Générale de Surveillance (SGS): Swisscontact has been awarded the Certificate of the International Inspection Agency Société Générale de Surveillance (SGS) within the NGO Benchmarking Program.