

Coastal/Marine Tourism Trends in the Coral Triangle and Strategies for Sustainable Development Interventions

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**Prepared for:
Marine Program
World Wildlife Fund
Washington, DC**

November 2007

TABLE OF CONTENTS

Acronyms	3
1.0 Introduction	4
2.0 Summary of key findings/trends in Coastal areas	6
3.0 General Overview of the Coral Triangle Region.....	7
3.1 Mega-diverse region/ area of study	7
3.2 Bioregions and geography	8
3.3 Level of development.....	8
4.0 Overview of Tourism in the Region: tourism economy, market composition and characteristics	10
4.1 Regional Tourism	12
4.2 Constraints on Tourism	15
4.3 Manmade disasters	15
4.4 Natural Disasters	15
4.5 Tourism: Economic and Policy Context and Trends	16
5.0 Global Warming – Impacts on Coral Triangle Countries / Tourism.....	17
5.1 Airlines	18
5.2 Cruise Tourism	19
6.0 WWF Hypothesis revisited in light on report findings and analysis	21
6.1 Real estate	24
6.2 Influence of Tourism Operators/chain hotels/cruise lines.....	26
6.3 Caveats posed by CESD	27
7.0 Recommendations for WWF	29
7.1 Leverage points for ensuring sustainable tourism	29
7.2 Specific strategies and options for a WWF tourism program	30
8.0 Tourism Initiatives/ Studies/ Resources	33

Acronyms

ADB	Asian Development Bank
ADS	Approved Destination Status (for Chinese Nationals)
ASEAN	Association of Southeast Asian Nations
Aus AID	Australian Agency for International Development
APEC	Asia-Pacific Economic Cooperation
CRISP	Coral Reef Initiative in the Pacific
CROP	Council of Regional Organizations in the Pacific
GBR	Great Barrier Reef
ICM	Integrated Coastal Management
LCC	Low Cost carriers (airlines)
LMMA	Locally Managed Marine Areas
MPA	Marine Protected Areas
NGO	Non Government Organization
PIC	Pacific Island Country
PNG	Papua New Guinea
TNC	The Nature Conservancy
WTO	World tourism Organization (now known as UN WTO)

1.0 Introduction

This report presents trends in coastal tourism development the coral triangle area focusing mainly on Philippines, Malaysia, Indonesia and Papua New Guinea, but with consideration of Fiji and the Solomon Islands as well. The purpose of this analysis is to create a basis for development of strategic approaches to promoting and facilitating forms of tourism that contribute to biodiversity conservation in the region in line with World Wildlife Fund's (WWF) global conservation mission.

The key macroeconomic factors and forces underpinning regional tourism trends are analyzed in light of the WWF hypotheses:

“Coastal/marine tourism development is mainly driven by two large-scale sets of primary actors”:

- Land use development decisions for tourism which are made by governments at the national and/or local level. These are accompanied by investment in infrastructure to support development which is financed through both public institutions and private investors, who can be influenced at the national, regional, and/or global levels;
- Real estate development industry which includes principally financial institutions and real estate developers who can operate at any level from local to global and are primarily private sector,

There are two other secondary players who have some influence:

- Tourism operators such as hotel chain and cruise lines;
- Tourism consumers and consumer demand.

The research protocol for the report was basically a literature review which aimed at understanding overall trends in the region, followed up by a series of interviews (telephone and face-to-face) with members of the WWF network or tourism stakeholders involved in the region. These included representatives of the tourism industry, developers, scientific community, other NGO's and Government agencies. The interviews were guided by a set of questions (Appendix 1). The answers from these interviews were used to expand on the literature review and help identify or formulate elements for strategic interventions. Some of these interviews and research was conducted at a Marine Conference in Townsville, Australia.

The report is structured as follows:

1. Section A provides a summary of the key finding of the report;
2. Section B provides a basic background to the current situation in the region – providing information on the exceptional biodiversity and particular vulnerability of the ecosystems in the coral triangle and

Coral Triangle: Sustainable Tourism Strategies

examination of macro-trends in tourism (tourism economy, market characteristics, and market composition) as well as the potential impacts and issues of global warming to the region.

3. Section C revisits the WWF working hypothesis based on the report's findings and analysis;
4. Section D concludes with a cursory set of strategic recommendations for WWF's engagement with coastal tourism in the region.

2.0 Summary of key findings/trends in Coastal areas

The following key trends and issues summarize the state of coastal tourism in the coral triangle region and the potential for tourism to facilitate and support biodiversity conservation:

- Tourism is either a significant component of national and local economies (in Malaysia, Indonesia, Philippines, Fiji) or a small but still important component of the economy (in Papua New Guinea and the Solomons) and is particularly important as a source of foreign exchange and form of economic diversification.
- The Coral Triangle region has high potential to use tourism to help support conservation. The reef and coastal areas are major draws for the tourism industry and represent a significant economic resource for the region's countries. The fragility and sensitivity of corals to environmental change (pollution, temperature changes, mechanical damage) means that they act as "Canaries" warning of environmental damage. The economic incentive to better protect and conserve these systems is strong and governments and private enterprises would benefit from becoming champions for conservation.
- Global warming is likely to have significant adverse consequences on Coral-Triangle countries – the numerous small islands, coral atolls, and low lying coasts will be affected by small sea level rises, an increase in frequency and strength of storms, increased coastal erosion and inundation will result in saline soils. Coral bleaching events and resultant mortality will result in a decrease in coral cover and abundance of biodiversity. These impacts are readily observed by tourists to the region (especially snorkellers and SCUBA divers) and can be used to promote or galvanize support for and promote more sustainable environmental practices.
- Growth in the region's tourism, especially in the Asian countries is strong as a result of several items. A tremendous rise in the domestic / regional market. This is made possible by strong economic growth in the region with a corresponding increase in disposable income and leisure time. A general easing of travel restrictions and the liberalization of air transport as well as low cost carriers helps by providing more opportunities to travel. The infrastructure including roads, communications, and again air travel are generally improving. Finally the strong growth of promotional campaigns like Malaysia's *Simply Asia* provide the media base for tourism growth.
- Unfortunately the continuing growth of mass tourism in the Asia Pacific

(Fiji) region, while generating economic wealth to a developing region, is currently often at the expense of the destination's rich social, cultural and natural assets.

- However, coastal tourism has begun to mature and diversify in the western market with increasing emphasis on special interest aspects such as nature-based adventure tourism, ecotourism and wildlife watching and cultural tourism. This relatively sophisticated market is both knowledgeable and reasonably supportive of green issues and has considerable potential to become more active in demanding environmental sustainability and corporate social responsibility. There is significant potential to convert this largely latent green demand into more active support for conservation with clever promotion and campaigns. This might include sustainable tourism certification programs, promotion of carbon credits, in-kind or cash support for specific conservation projects. The Asian youth market is strongly influenced by western values and this may have the additional spin-off in introducing environmental concerns to the regional and domestic market.
- The Asian (and Russian plus former Eastern Block) mass market for coastal tourism remains in the traditional resort style enclaves. Environmental issues and sensitivity are not elements that determine choice, as this market is after a hedonistic experience rather than restraint. However, these larger developments are ideally suited to implement effective cost saving measures through eco-efficiencies – such as reducing waste and minimizing water and energy use. WWF could introduce training and education (or certification) programs for resort enterprises that emphasize cost-savings. Subtle promotion of environmental sustainability programs to guests that demonstrate that luxury need not be compromised by environmental concern might introduce, educate and possibly convert this relatively unsophisticated audience into better environmental citizens.

3.0 General Overview of the Coral Triangle Region

3.1 Mega-diverse region/ area of study

The Coral Triangle is a loosely defined area where the seas contain 500 of more coral species. It is generally agreed to encompass the countries of Malaysia, Indonesia, the Philippines, Papua New Guinea and the Solomon Islands – but has close connections with Fiji islands and northern Australia.¹ (see map) It is sometimes referred to as the "Amazon of the Seas", as it is a biological hotspot with extraordinary marine biodiversity (75% of all known coral species, 53% of the worlds coral reefs), 3,000 species of fish including commercial valuable pelagic varieties (i.e. tuna), and endangered and charismatic mega fauna such as marine turtles (six of the eight species), whale sharks, manta rays, and

Coral Triangle: Sustainable Tourism Strategies

marine mammals (22 species of dolphin; dugong; Bryde's, pilot, sperm, dwarf sperm, humpback and beaked whales) and the greatest extent of mangrove forests of any region.



3.2 Bioregions and geography

Although the coral triangle is defined by the (high) number of coral species found in the oceans and seas there are significant land masses and a number of different countries associated with the region. All of these countries are distinguished by having significant coastal and marine coastlines with a large numbers of islands (e.g. Indonesia consists of 17,500 islands, only 6,000 of which are inhabited, the Philippines consists of 7,107 islands, Fiji – 332 islands, 110 of which are inhabited).

The area is sometimes separated into two bioregions - the Sula-Sulawesi Marine Ecoregion (which includes Indonesia, Malaysia, Philippines) and the Bismark Solomon Seas (which Includes Papua New Guinea and the Solomons). The different bioregions coincidentally have distinctly different economic development and regional affiliations - Malaysia, Philippines & Indonesia (East Asia) contrasting with Papua New Guinea (PNG) and the Solomon islands (Melanesia) that have greater affiliation with the Pacific countries than Asia. (WWF South Pacific is based in Fiji and runs the PNG program, and regional affiliations for PNG/ Solomons is with Pacific organizations such as the SPTO (South Pacific Tourism Organization)).

3.3 Level of development

The Asian coral triangle countries have one of the highest human population densities in the world, and have all experienced relatively recent rapid economic growth. Unfortunately, the gains from this growth have been unevenly distributed with large parts of the population still desperately poor. There have been marked structural and demographic changes as a result of industrialization and accompanying urbanization, but there are still large rural populations (particularly in Indonesia and the Philippines) with a strong dependency on natural resources for basic food security and income. Marine resources are being, or are already over exploited with over-fishing and destructive fishing practices (including use of cyanide and dynamite) common. Hasty development of coastal areas has already occurred with large scale clearing of mangroves (critical as fish spawning sites and nursery grounds) for both infrastructure (including tourism resorts) and fish ponds. This is particularly marked in the Philippines and Indonesia which already harbor 75% of the world aquaculture industry in fishponds (mainly shrimp).

Rapid economic growth has contributed to marked improvements in human welfare, and the lethal cocktail of poverty, high population growth and extreme dependence on coastal resources is slowly beginning to abate. However, rampant depletion of marine resources and environmental degradation is still common – fueled through a “grow-now – clean up later” approach. This “policy” is still common, although there is evidence of growing civil concern and pressure to pay greater attention to environmental sustainability. Unfortunately there is a large legacy of existing damage and continuing unsustainable practices that mean there is still serious cause for concern about considerable water and air pollution, depletion of many natural resources and significant losses of biodiversity. There are, however, some small but positive trends beginning to emerge for the environment. Increasing integration and trans-boundary cooperation on issues such as regional “haze” , and moves to clean up or at least halt the degradation of international waters is beginning to occur. There also seems to be a growing role of private enterprise with increasing attention paid to triple bottom line reporting and CSR issues (some of this resulting from multinationals being caught out and shamed).

In contrast, Papua New Guinea and the Solomon islands (and to a lesser extent Fiji) while also having experienced rapid population growth, are countries very much still in transition from basic subsistence economies. These countries also have severely under resourced government structures, and often turbulent politics. Fiji’s recent spate of coups, Solomons state of emergency and travel warnings for all three countries). Consequently there is little national leadership on resource management issues or environmental conservation – compounded by a distinct lack of financial or human capital. There is a strong dependency on aid and ever increasing pressure on coastal and other natural resources (mainly forestry and fish, but minerals are an extremely important source of income for PNG Papua New Guinea).

While all of the countries within the coral triangle have formal (if rudimentary) environmental policies, regulations and institutions; the political commitment, human and/or financial capacity or incentives for enforcing, implementing or monitoring laws and regulations are extremely weak. This fact, combined with persistent corruption or collusion between powerful elites and commercial interests – continue to cause problems for sustainable development initiatives.

Nonetheless, across the entire region there appears to be slowly increasing initiatives that demonstrate growing engagement with local communities and stakeholders, and there are increasing civil society demands for more sustainable development that could be harnessed. The importance of coastal resources for the countries in the region is undeniable, providing livelihoods, income or food security. The total annual value of coral reefs, mangroves and associated natural habitats within the coral triangle area region are estimated at US \$2.3 billion – the tuna spawning and nursery grounds support a multi-billion tuna industry, and healthy reefs and coastal areas are contributing to a growing nature tourism industry (especially in regard to in-water activities such as SCUBA and snorkeling). Healthy reef systems and mangroves that protect coastal communities from storms, tidal inundation and tsunamis are also now recognized as vital functional necessities.

State of Reef and Coastal areas

PNG and Solomons Island reefs are generally in good condition with high biodiversity and scenic beauty, with major threats to the reef being sedimentation from land clearing (logging) and mining (PNG) and localized over fishing. Unfortunately dynamite fishing, cyanide fishing (both for aquarium fish and Asian live fish market have been introduced from Asia

In Indonesia, Philippines and Malaysia the marine systems are under much more anthropogenic pressures, with reefs among the most threatened and damaged in the world. Marine resources are depleted through high fishing pressure, often using destructive methods (both cyanide and dynamite), mangroves are being extensively cleared and global warming has already triggered several bleaching events. Coastal tourism is often large scale and significant damage from tourism appears to occur at both the construction stage (land clearing etc.) and sheer pressure of tourism numbers (through sewage disposal, anchor damage, mechanical breakages by divers/ snorkellers).

4.0 Overview of Tourism in the Region: tourism economy, market composition and characteristics

Tourism is a significant component (or in the case of Fiji, the major component)

of national and local economies and is particularly important as a source of foreign exchange and form of economic diversification. Coral triangle countries all have growing tourism markets (with the current exception of Fiji that is exhibiting negative growth because of political turmoil of the last coup) although the original base numbers are small in both PNG and the Solomons. Growth of tourism in the Asian countries -Philippines, Malaysia and Indonesia – is greater and from a far larger base and is thus likely to have more impact. All the countries depend to a considerably extent on tourism revenues, even though natural resources such as minerals, timber and fish are still important.

A dominant feature of the region is the numerous islands and thousands of kilometers of beautiful coastal shores that predispose to marine tourism and classic 3S (sand, sea and sun – although sometimes supplemented with a rather unsavory 4th S in the form of “sex” in the Asian countries, particularly the Philippines) resort tourism. This trend continues with new entries to the market in terms of newly wealthy Chinese and other Asian tourists demanding “luxury” or hedonistic traditional resort experiences although the majority of the western market (with the exception of the Russian and former Eastern Block countries) has moved to increasing demand for nature, adventure and cultural tourism experiences. The region offers exotic locales with a great diversity of unique and colorful cultures, and the marine (and coastal) environment provides wildlife viewing delights in terms of whale watching, turtle nesting, as well as bird and fish spotting. Not surprisingly the coral region is a haven for SCUBA divers and snorkellers, and an increasing number of specialist groups are catered for with charter vessels (sic PNG) and dive packages.

Tourism in the South East Asian region (in this case including Brunei, Burma, Cambodia, Laos, Malaysia, Philippines, Thailand, Singapore, Vietnam and PNG) is expected to generate US\$196.8 billion of economic activity in 2007, ranking 6th in the world (of 13 regions worldwide) in both absolute size and relative contribution to regional economy and 2nd in terms of growth².

The reasons for the fast rate of tourism growth in the Asian sector of the region is due both to a rise in the domestic / regional market that has been made possible by strong economic growth with a corresponding increase in disposable income and leisure time, and the general easing of travel restrictions and liberalization of air transport (i.e. open skies policies) and development of low cost carriers. Many of these countries have also strongly marketed tourism with themed campaigns (Malaysia - “Truly Asia”, Indonesia – “Ultimate in diversity”, “WOW” Philippines). The Asian market is increasingly demanding traditional, if high-end luxury resort product which unfortunately demands little in terms of sustainability or “green” issues. This unfortunately means that the majority of impact of tourism in these regions is likely to be, at very best relatively neutral in terms of environmental impact, and more likely to be at the expense of the destination's rich social, cultural and natural assets (despite generating economic wealth).

There has been some diversification in this traditional 3S tourism with a trend in the European market at least, towards wellness tourism (spas etc) and more interest in LOHAS issues. The Western (especially European) market is more interested in, and likely to expect or demand environmental sustainability initiatives and indications of corporate social responsibility (CSR). In some cases the European market has changed from traditional beach tourism to a more specialist market (such as medical tourism – plastic or elective surgery plus resort style recovery packages) or adventure/ activity packages that include specialist nature-based (water sports) or cultural (cooking classes) activities.

4.1 Regional Tourism

In **PNG and the Solomons** there is no mass tourism – there simply aren't enough tourists for cheap airfares, hotels or tours (There are less than 20,000 tourists per year to PNG). The hotels survive mainly on the business and government travel market and Airlines' main customers in and out of PNG are also businesses (63% of arrivals in 2004 on business), government and VFR market (visiting friends and relatives). The major arrivals are Australians (54%), USA (8%), Japanese (7%), Philippines (5%) and Europeans (mainly UK and Germany) at 7.5%. Domestic tourism is not considered an important factor with 80-85% of the population is rural, subsistence based and 50% are functionally illiterate. Travel for pleasure is consequently rare!

PNG is acclaimed as the ultimate adventure-cum-ecotourism experience. There has been a move to promote the area (and this is the strongest sector) as a major dive destination, with resorts and live-aboards very popular. Coastal tourism tends to be small resorts hotels and guesthouses in or near towns.

There are two major operators: Melanesian Tourist Services and the Australian owned Trans New Guinea Tours that dominate the market and appear to limit indigenous tourism growth. There is presently limited growth in trekking, jungle tours, wildlife watching and WW II (i.e. Komodo track) – mainly because of high airfares, difficulties of access and much emphasis on the poor law and order in the country.

The Government has targeted tourism as a priority area for development – for despite being a small market it raises USD 870 million. There is a well resourced PNG Promotions Authority that is strongly encouraging development of community-based and ecotourism products. PNG has a liberal investment policy that encourages direct investment – with a one-stop-shop in terms of a special Investment Promotions Agency. Acquiring land for tourism development is through leases of up to 99 years, as 97% of land in PNG is held collectively and cannot be sold for individual gain. The major (largest) Hotels are the Intercontinental group with a Crown Plaza and Holiday Inn in Port Moresby. The Coral Sea Hotel Group (also foreign-owned) has 8 properties. A weak road network means that most travel is by air or boat (hence popularity of live-

aboards).

Fiji: Of all the countries in the region Fiji is incredibly dependant on tourism – even in 2006 (with tourism decline as a result of coup) it accounted for a massive 26.4% of the GDP (USD 978 million), and 66% of total export earnings – paralleled with 24.5% of the population being employed in this sector. Unfortunately, Fiji has suffered a spate of coups that have repeatedly stifled or dampened tourism growth and led to widespread hardship in the industry. The main source markets for Fiji are Australia (33% of all arrivals), New Zealand, US, UK and Japan – with a recent growing number of Koreans (with direct flights now available) and the beginnings of interest from Chinese tourist (Approved Destination Status given in 2005).

Fiji had been working on a comprehensive Fiji Tourism Development Plan (2007-2014) that highlighted the need to brand Fiji and work on community benefits and sustainable development – but the latest coup appears to have severely restricted putting in place appropriate plans and policies. A major constraint to tourism growth appears to be regular or reliable (or any) air links between islands as well as the continued fall out from political unrest.

The Philippines is renowned for having a large market of ethnic Filipinos or “Balibakans” (on international passports) returning (VFR) and traveling round the country, but the greatest proportion of other international visitors are Asian and predominantly male (3G market – Golf, Girls and Gambling) despite the countries strong Catholic influences. The domestic market tends to be relatively unadventurous- simply returning to hometowns for religious festivals/ saint days – although there is some evidence of a growing ‘adventure’ or ‘activity’ market amongst the younger generation.

WTTC satellite accounting³ reveals that tourism accounts for 9.1% of GDP in the Philippines, and like the other Asian CTC’s tourism is one of the fastest growing sectors of the economy, already worth USD 16.3 billion.

The primary mandate for coastal management has been largely devolved to local Government under the Local Government Code of 1991 -

Malaysia: WTTC satellite accounting⁴ reveals that tourism accounts for 13.3% of the GDP in Malaysia, and accounts for USD 33.6 billion in Malaysia. The service industries (including tourism) are now the major revenue earners and largest contributors to Malaysia’s GDP (46%) compared with manufacturing (30%), agriculture (9.3%0 and mining (7.3%). Malaysia ranks 11th in the world in growth, 35th in absolute size , and presently 63rd in relative contribution to national economy. Malaysia Tourism employment is estimated at 1,217,000 jobs or 11.8% of total employment – and this figure is expected to rise. Tourism is a growing sector and is gaining importance, and appears to be well recognized and

supported sector by the government (identified in the various Malaysian Development Plans)- no doubt because of the appreciation of tourism's ability to generate significant foreign income. The multi-racial nature of Malaysia with Malays, Chinese, Indians and various (and numerous) indigenous peoples of Sabah and Sarawak is heavily used to promote tourism in the country (Malaysia, Truly Asia campaign), and Malaysia has always promoted "ecotourism" relatively heavily (especially with regard to Sabah and Sarawak).

The top ten markets for Malaysia are Singapore, Indonesia, Thailand, Brunei, West Asia, China, Japan, the Philippines, India and Australia – with China exhibiting the most rapid growth. Tourism promotion takes place through a number of institutions – but primarily through MOCAT (Ministry of Culture, Arts and Tourism) and Tourism Malaysia. A Malaysian Tourism policy was formulated in 1992, that identified ecotourism as an industry to be targeted because of its recognition as a high growth niche market – with an ecotourism plan released in 1996. Although development of tourism is mainly private-sector led, the Malaysian Government supports development through funds to develop infrastructure and funds "pioneers⁵." The Malaysian government has also strongly supported and encouraged "long-term" tourists with an established "Malaysia My Second Home" (MM2H) campaign launched in 2002 (replacing the Silver Hair program set up in 1996) that gives extended Visa passes (social visit pass with multiple entry to Malaysia for 10 years). The MM2H attracted 8,723 participants between 2002 and 2006 – with 1,974 from China; 1,429 from Bangladesh; 885 from the UK; 522 from Taiwan; 448 from Singapore; 434 from Japan; 427 from Indonesia, 417 from India and less than 300 from Pakistan, Hong Kong and Korea. The focus is very much on retirement with associated medical or wellness tourism – with Malaysia promoted as a healthcare hub (with current specials on a normal cardiac by-pass surgery of US\$6,000 to 7,000 at the National Heart Institute⁶

Indonesia: WTTC satellite accounting⁷ reveals that tourism accounts for 7.5% of the GDP in Indonesia and is growing fast – it currently ranks 13th fastest growing (long term growth) in the world. The amount of income generated is impressive at USD 43.5 billion, and tourism accounts for 6.5 % of the countries employment.

The main markets for Indonesia (in order of importance) are Singapore, Malaysia, Japan, Korea, Taiwan, Australia and US - although the combined numbers from Europe (particularly UK, France, Germany and the Netherlands) almost equals the number of Malaysian visitor numbers. China is becoming an increasingly important force – numbers growing from 36,000 in 2002 to 147,000 in 2006.

There is an established (and growing) mass tourism market in Indonesia – particularly to Bali, Java and Sumatra – but the vast number of islands, isolation and difficulty in transport mean that many parts of Indonesia are rarely visited.

Coastal tourism definitely has a significant place (again the mass beach culture in Kuta (Bali) and Lombok) and for divers/snorkellers Sulawesi, Maluku and Irian Jaya (WWII wrecks) hold sway. However, like Papua New Guinea, tourism here tends to have a strong overlay of cultural/heritage focus (e.g. Ubud in Bali, the temples of Borobudur in Java, Tana Toraja's communal funerals in Sulawesi) and the hinterlands often offer spectacular volcanic scenery and trekking.

4.2 Constraints on Tourism

This region has suffered more than its fair share of both manmade and natural disasters – ranging from earthquakes and tsunamis, significant pathogens, to political instability and terrorism.

4.3 Manmade disasters

The Philippines, Malaysia and Indonesia all suffered under the economic downturn of the Asian economic and financial crisis of the 1997/98 – with tourism arrival numbers declining considerably and interregional travel suffering. The SARS outbreak in 2003/4 affected most of the world with a significant decline in travel and tourism - with notable effects in Philippines, Indonesia and Malaysia due to the proximity of the major outbreak area of China. These countries all reported small numbers of SARS deaths. The rapid decline in travel and tourism was repeated in 2006 with the emerging Bird flu crisis – this time Indonesia being hit hard with a relatively large number of cases and deaths reported.

Political upheaval in the region has also influenced tourism numbers - Fiji has perhaps been hardest hit with a spate of coups and political upheaval over the last decade that has seriously impacted on both the tourism trade and the economy. The 2000 coup resulted in a decline of tourists from 400,000 in 1999 to 294,000 in 2000, and a 10% decline in the economy. The current coup is marked by negative tourism growth (-2.5%), and government advisories are still in place and harming sales. The Solomons has also suffered serious political unrest, ethnic violence and endemic crime, with the Government asking Australia to intervene in 2003 to re-establish law and order. The resultant Regional Assistance Mission to the Solomon Islands (RAMSI) is still in place, with more troops and assistance sent in 2006.

Terrorism is unfortunately not unknown in the region, with significant attacks in Indonesia in 2002 (Kuta nightclub), 2003 (Marriott Hotel), 2004 (Jakarta embassy) and 2005 (Bali bombings – Jimbaran and Kuta) – some deliberately targeting western tourists. These have all been claimed by Islamic extremists, as has the continued terrorism threats in Philippines Province of Mindanao.

4.4 Natural Disasters

The region is in a geological hot spot (the Pacific Rim of Fire), and earthquakes,

volcanic eruptions and seismic shifts have resulted in a number of notable natural disasters – the most infamous being the Boxing day tsunami that was given incredible publicity because of the number of western tourists killed. The Solomons also suffered a tsunami in 2007 that led to wide spread destruction and significant deaths, but had little effect on depressed tourism numbers as a result of political instability.

The Asian region has suffered significant negative publicity as a result of significant haze over recent years – with wide scale forest fires adding to industrial pollution to blanket the region in some years. This is increasingly a potential deterrent to holidaying in the region – and as pollution is becoming more prominent is causing concern.

4.5 Tourism: Economic and Policy Context and Trends

The factors that are fundamental to understanding tourism development dynamics in the region are highlighted below:

- Economic growth in Malaysia, Indonesia and the Philippines is currently high and private, commercial investment is increasing fairly rapidly in all three countries after the set-backs of the Asian economic crisis – there is now increasing amounts of domestic investment (often with local elites with strong political connections);
- PNG, the Solomon's and Fiji have low, even negative economic growth and are often reliant on external AID. This problem is further exacerbated by political instability and continual uncertainty or rapid changes in the political and regulatory landscape;
- In the Asian countries the fast economic growth has also led to fast growth in an emerging cash-rich middle and upper class anxious to display their wealth and proclaim their status with luxury high end coastal developments and enclaves (for both residential and traditional tourism accommodation).
- Asian countries in the region are fast developing significant infrastructure improvements in telecommunications and internet connectivity, roads, and air travel (esp. in regard to access to low cost flights) but still regard environmental regulations and considerations with indifference (or ignorance). “Grow now – clean up later” attitude is prevalent amongst the majority of Government departments and almost all private investors.
- In the whole region there appears to be changing land-use and ownership patterns with local communities being disenfranchised from prime coastal areas and land changing from commons to private use. There are some exceptions to this – with Fiji and PNG still having very strong communal ownership rights and increasing devolution of power to local government in the Philippines.

- Planning processes and environmental regulations throughout the region appear to be ignored, by-passed or not enforced. Unfortunately, some of this is institutionalized corruption (that appears prevalent in all countries), but some is as a result of ignorance or lack of technical capacity (from both the enforcers and the industry).

5.0 Global Warming – Impacts on Coral Triangle Countries / Tourism

It is somewhat ironic that the Coral triangle countries are some of the most vulnerable to global warming and climate change, yet have among them some of the least significant emitters of greenhouse gases. This particularly applies to Fiji and other island states (especially small island states) in the Pacific, for whom sea level rises are going to have significant adverse impacts.

The most telling impacts for the region are the effects of significant and immediate threats to coral reefs. An increase of just a few degrees in water temperatures causes thermal stress that result in corals expelling their symbiotic zooxanthellae (algae) on which they rely on for the majority of their food. This phenomenon is known as coral bleaching. A severe, world-wide bleaching event occurred in 1997-1998 connected with the raise in sea level temperature caused by the effects of the El Niño event / Southern Oscillation that resulted in 16% of the world's corals dying - with an estimated 45% mortality of corals in the Indian Ocean. Global warming is predicted to increase the frequency and severity of coral bleaching, an increase in the number and severity of tropical storms (physical damage to fragile coral), a rise in sea levels ('drowning' corals) and increased seawater acidification (decreasing the rate at which corals can lay down their skeletons). All these are likely to cause wide scale coral mortality. For this reason coral reefs have been dubbed "canaries" - warning of the impending environmental disaster that global warming is bringing.

It is not only the direct threats to coral reefs in the region that are at stake here, sea level rises will inundate coral cays, low lying islands and coastal areas. Salt water intrusion is already occurring in atolls and small islands in the Pacific. In many of the Coral Triangle countries low-lying coastal land constitutes a high proportion of total land area and is also the location of much of the tourist infrastructure. A small rise in sea level in these areas will cause loss of land through flooding – and even when ground is high enough for this to be prevented there are going to be sub-lethal effects of increased salinity of many freshwater sources as ground water becomes contaminated (this particularly applies to the freshwater lenses of coral islands and atolls, tidal estuaries etc), and limit water supplies already stretched. This has implications far beyond the drowning of infrastructure - for some countries food security will be heightened as agriculture will be significantly affected. (In Tuvalu communal crop gardens in six of the eight islands have already been damaged by saltwater intrusion and families have already had to resort to growing taro (root crop) in buckets to avoid the

saline soils). Land loss through sea level rise as the result of global warming is likely to be exacerbated by storm and wave action resulting in coastal erosion – some islands in Fiji have already retreated 30m in the last 70 years.⁸

Coral bleaching in 1997-1998, and again in 2000 and 2002 with consequent coral mortality (40% of corals in Fiji affected)– does not bode well for coastal tourism in the region. The reef is a significant tourism draw for many of the coral triangle countries – in PNG dive charters are a major component of the overall tourism industry – in Fiji and parts of the Philippines (Palawan) there is huge local dependency on dive tourism.

The Coral Triangle is exceptionally vulnerable to global warming, and tourism is likely to significantly decline with deterioration of the reefs. Despite these warnings, climate change does not appear to be currently affecting tourism businesses or tourism building decisions – coastal development is still favored and there does not appear to be a change in policy or caution despite the realities of rising seas, increased storms etc.

5.1 Airlines

Virgin Blue was the first Airline in the region to instigate a carbon offset scheme that began early in 2007 – with links to Pacific Blue and Polynesian Airlines there is the potential to pressure to expand this to these other regional airlines. Qantas took up the challenge of a carbon offset program on September 19, 2007 and passengers can now offset their share of flight emissions for all domestic, international Qantas, Qantaslink and Jetstar flights.

It is important to note that many passengers to Oceania Region (i.e. includes coral triangle area of Fiji, but also countries such as Australia and New Zealand) are long haul – and hence airline emissions are a problem (especially in light of the British campaign to discourage international long haul flights). The image problem (especially for New Zealand capitalizing on “100% Pure New Zealand” and its “green and clean” image has necessitated campaigns and accreditation programs to assure tourists that they are not damaging the environment once they arrive).

- **PNG/ Solomons**

Airlines PNG started flying internationally in 2006 and now operates daily flights to Cairns and thrice-weekly flights to Brisbane. www.apng.com Air Niugini and Qantas operate code share flights into Port Moresby from Sydney, Brisbane and Cairns almost every day of the week. Air Niugini also has weekly or twice-weekly flights to and from Singapore, Manila, Hong Kong, Japan and Honiara (Solomon Islands). www.airniugini.com.pg An Indonesian airline is due to commence a direct air link between Japapura (Indonesia) and Port Moresby in early 2007. The lack of road infrastructure means strong need for air links, but infrastructure

is limited.

Fiji and other Pacific destinations

Pacific Blue: (Virgin Blue/ Branson airline) flies to Fiji, Vanuatu, Tonga and Cook Islands, Polynesian airlines (Virgin Blue and Samoan Government partnership) flies to Samoa. Lack of competition and connections between islands is a major constraint for tourism development.

- **Indonesia, Malaysia, Philippines**

Enormous growth of Low Cost Carriers (LCC) and deregulation of air travel has meant a surge in growth and travel by air for most Asian countries. LCC such as Air Asia have considerably fueled tourism growth and interregional travel – but as these companies are operating on tight budgets with little profit margins and clients have purchased cheap seats it appears unlikely that there will be carbon offset schemes introduced.

5.2 Cruise Tourism

Like the rest of the world the Asia Pacific region has experienced strong growth (and high profitability) in the cruise tourism market, with two key trends emerging – a growth in the luxury but mass tourism market with mega-ship development and fleet of small boats serving a specialist market such as Dive Tourism in some prime diving areas (e.g. Papua New Guinea, Philippines/ Palawan).

The mass tourism market is expanding, with dominance of the Star Cruising Line (4th largest cruise company in the world) that expanded when many other regional lines collapsed in the Asian financial crisis. The emerging market of Asian nationals are being heavily courted, but are presently still only a minor component of the market (world-wide North America overwhelming accounts for 80% of the cruise ship market, with the next biggest market being Europeans). Progress is being made, aided by the liberalization and growth of air services with low cost carriers in the region that allow for one-way tickets. Major problems hindering further expansion is the lack of cruise ports and infrastructure – with the most sophisticated facilities in the region presently in Singapore with a dedicated cruise ship terminal and docking facilities. There is also an underlying threat of piracy in the region – with the Philippines/ Malacca's being particularly notorious area for illegal activities and pirates (although to date no large cruise ships have been effected).

Similar constraints limit the Pacific market, with even less developed cruise infrastructure (in fact the recent docking of the mega-ship the Star Princess in Fiji caused much interest because at 61 m high it was taller than any building in the South Pacific, and at \$450 million it cost more than the combined budgets for 10 small South Pacific States, and with a capacity of 3,800 it could carry more people than presently reside on Niue, Tokelau and Norfolk island!)

Coral Triangle: Sustainable Tourism Strategies

The Pacific suffers (or is saved) by the relatively long distance from the major source markets, and trend towards shorter cruises (which disadvantages the Pacific because of relatively large distances between islands compared with the Caribbean). This region currently receives less than 3% of the world's market, but serious growth is expected, and already has significant impact on many of the smaller Pacific Island states and economies. P& O are the main Operators in the region – and have diversified their market with products such as “Fun Ship” cruises for school leavers. There is a noticeable change to cheaper and shorter cruise packages throughout the region, and a change of target groups that is likely to lead to significant growth because of less reliance on the high end retiree market.

6.0 WWF Hypothesis revisited in light on report findings and analysis

“Coastal/marine tourism development is mainly driven by two large-scale sets of primary actors:

- *Land use development decisions for tourism which are made by governments at the national and/or local level. These are accompanied by investment in infrastructure to support development which is financed through both public institutions and private investors, who can be influenced at the national, regional, and/or global levels;*
- *Real estate development industry which includes principally financial institutions and real estate developers who can operate at any level from local to global and are primarily private sector,*

There are two other secondary players who have some influence:

- *Tourism operators such as hotel chain and cruise lines;*
- *Tourism consumers and consumer demand.”*

Hence the WWF hypothesis is built on the assumption that coastal tourism development is principally driven by government land use decisions as well as public and private investment in infrastructure and private sector real estate developers.

Government Land Use Decisions

The influence of land tenure and government land use decisions varies considerably in the region because of vastly different systems (and abuses) from Country to Country. In both Fiji and PNG the majority of land is collectively owned and cannot be sold for individual profit or gain, and procuring land for tourism development depends upon negotiation with the chiefs of the community for long-term leases. Unfortunately, in both these countries there is evidence of “cany” investors (mainly foreign, but include some domestic collusions) negotiating unfair and unethical arrangements that serious disadvantage and alienate the local community. There are also incidences where communal land has been leased or “sold” to the advantage of only one or a few individuals of an ownership group. In general these types of shoddy deals appear to be on a case-by-case basis where one hotel or resort negotiates directly and deals are sewn up quickly, rather than large areas targeted for concentrated development.

- **Ad-hoc development**

In fact, a general rule of thumb is that there is (whether or not regulation or large scale planning supposedly “exists”) rather ad-hoc tourism development in the region. This appears to be almost entirely driven by market forces. Coastal tourism developments are not planned to any great degree but spring up where demand is being generated (usually linked to infrastructure development that allows access through good transport links e.g. airports, roads or ports). There

may, or may not be formal regulatory controls BUT even where they do exist they are generally regarded as ineffectual, or easily by-passed. (e.g. in Fiji there is a demand for EIS, but auditing and checking these appears non-existent to perfunctory, in Malaysia there are regulations for grease traps in kitchen waste systems, and a banning of halon or other ozone depleting substances in refrigerants however monitoring for compliance is poor to non-existent⁹).

It appears relatively rare for large-scale tourism planning with more than one hotel and related facilities to be integrated so that major infrastructure and other facilities that serve an entire site to occur. The major exception to this is in Indonesia. Here, the Nusa Dua complex in Bali was planned (in the 80's and 90's) and developed by the Bali Tourism Development Corporation (a public corporation owned by the government) with World Bank assistance/funding with the proviso that the local community was integrated and would receive substantial benefits from the project. Despite the general distaste that "enclave" tourism of this sort now engenders in 'enlightened' travelers (alternative, ecotourism etc.) Nusa Dua has been proclaimed by some as highly successful in terms of maintaining high quality facilities, marketability and profitability¹⁰ and this large scale "integrated planning" has been applied to other resorts developments in Indonesia (Tasik Ria in northern Sulawesi, Biak Island, Marauw resort in Irian Jaya. However, by the late 1990's a number of acute environmental problems connected with mega-projects began to gain national and global attention – unregulated mining of coral and limestone for hotel construction (and airport extensions), erosion of beaches, increasing levels of plastic, sewage and air pollution, salination of underground aquifers and the diversion of water from farms to hotels and golf courses as well as the conversion of forcibly expropriated productive land to tourist facilities meant that there was increasing disquiet with this type of development¹¹. There have been additional problems in the gradual introduction of significant "domestic" (New Rich Indonesians, mainly from Jakarta) investment in the luxury high end of the market that have filled gaps in various downturns in the international market through both funding and buying luxury residences and condominiums (for fulltime residences to escape the traffic and pollution of Jakarta) leading to extreme disquiet and concerns about internal corruption and extravagances of the ruling elite. The Balinese regard Indonesians from other islands as "foreigners" – and forced expropriation of land and special dispensations for regulatory norms has led to conflict and protests (especially in regard to the Golden Garuda monument and the luxury Resort complex at Tanah Lot).

Land tenure in Indonesia, Philippines and Malaysia often has overlapping jurisdictional claims and there are usually restrictions on purchase of land rights by foreigners. Confusion over land tenure and land rights are often exploited by both developers and local elites, who often purchase land to on-sell at considerable profit. With the right connections and sufficient money you can often by-pass or bend foreign ownership rules and/or avoid regulations designed to safeguard the environment. For instance, in Indonesia, special Tourism

Development Areas (TDA) can get a location permit or “in principle approval” (“izin lokasi” or “izin prinsip”) that gives you the sole right to purchase land within the designated zone. Current inhabitants have little or no chance of challenging these permits and rarely receive fair compensation or help in relocating. In Malaysia

The large coastlines and many islands of the coral triangle region countries do mean that coastal land, as such, is not at a premium – although coastal land that has the crucial supporting transport networks that allows ease of access, and preferably other infrastructure and supporting utilities is what is highly desirable and at a premium.

Thus major infrastructure development (government funded or aided by bilateral and multilateral donors and AID) and proposals usually leads to an increase in land investment, and almost invariably attracts the powerful elites (or local “Dons”) who gain control over the lands and either develop tourism themselves, broker to third parties or sit on land as an investment (sic Oliver Hillel interview regarding Palawan Master Planning exercise). In Indonesia the Lombok Tourist Development Company was given an Izin Lokasi for the Rowok area – and has been busy pressuring the Provincial Government to pay for the investments in water supply, road and electricity that the proposed 18 hotels, golf courses and associated facilities require. Most investments appear to occur through a web of formal and informal relationships between private investors, state agencies, and public officials pursuing their private economic interests – and often leading to high leakage of profits outside the local community. This pattern is also repeated in Fiji, where large scale resorts and developments are common. Bali, however, has been particularly hard hit – with 76% of 4 and 5 star hotels owned by non-Balinese either outright or as joint ventures with overseas partners, and accounts for over 20% (undoubtedly an underestimated) of the hotel industries workforce.

The general trend is that Government land use decisions, particularly in regard to major infrastructure projects often funded by major donors and development agencies such as World Bank, ADB, IMF **DO** drive tourism development patterns in the region as they lay the groundwork for private investors (often private interests of the same individuals or local elites). What is a fact of life throughout the region is that the line between public and private sectors is often indistinguishable as a function of public office is the use of associated powers and resources for direct (or indirect through friends and relatives) private gain.

The region’s infrastructural development is often reliant on loans and grants from bilateral and multilateral aid agencies – in the case of Papua New Guinea - over 80 % of its economy is provided by AID. However, once even rudimentary infrastructure is in place (and this seems to be largely essential transport linkages – airports, roads, ports, and basic utilities such as water and

electricity – but does not often extend to waste treatment plants or adequate sewage) private enterprise rapidly steps in and exploits loop holes in regulatory control and land tenure to build tourism developments that provide significant investment returns. Unfortunately the rapid response to and exploitation of government and donor infrastructure development is often large scale tourism (with resultant economies of scale) that have ready access to investment funds and often established "brands" that give access to an international market through effective marketing channels. The problems are is that "enclave" tourism of this type tends to be associated with higher leakages and little opportunities for local community or entrepreneurs.

This regional pattern has serious implications for the local community – particularly the poor – who don't have the money, skills or expertise to take advantage of tourism development opportunities or booms. The poor often rely on coastal areas and common pool resources for food security or an income. They often exploit resources too dangerous or unpleasant for others – for instance collection of prawn larvae from coastal swamps and mangroves for aquaculture enterprises.

Developers and Government often assume tourism development has significant trickle down effects that reach even the poor of the community because of the fact that tourism generates significant income and spawns high labor demands – but the poor are often excluded from these opportunities as they don't have the skills or expertise to work in the tourism industry – and frequently become further disadvantaged by being denied access to previous coastal resources.

This ad-hoc pattern of tourism development with an initial dependency on flows of largely government, donor and foreign (or at least non-local) capital for basic infrastructure, pre-emptive expropriation of land followed by rapid exploitation by large enterprises or developers seriously hinders sustainable tourism growth and development of environmental responsibility. Then lack of engagement with local community or stakeholders, the lack of connection with the land and traditional knowledge and management practices, and the lack of knowledge, capacity or indeed interest in environmental issues by outside investors leads to increasing degradation of a limited coastal resources already suffering stress through the increasing symptoms of global warning.

6.1 Real estate

Coastal development in the region is beginning to be influenced by the small, but emerging pattern of high-end luxury residential estate development – often connected with enclave tourism resorts. This is currently a relatively small but predicted to be a rapidly growing market – with a focus on retirement and second homes for the increasing number of affluent Asians who want to flaunt status and economic power. The Malaysian Government has been very active in promoting

this type of development with the MM2H program, but there have also been increasing number of developments of this sort in the Philippines (renowned for people and caring skills).

Although tourism industry growth in the region has been historically reliant on flows of foreign capital, this is decreasing as wealth has built up in the Asian region's private sector and economic (often synonymous with political) elites. For the tourism industry, even when local wealth funds investments, externally-sourced management expertise and marketing linkages remain important.

Major drivers of tourism development are:

- Continued encouragement of tourism development with policy and tax breaks designed to attract investment – all Coral triangle countries are very supportive of expanding the tourism sector, recognizing it as a high foreign income generator and possible 'engine' of GDP growth;
- Continued large-scale donor support for infrastructure developments such as roads and electricity that seed private investment in tourism,
- Strong "prestige" element of luxury hotels and development fueling domestic commercial investments.

Unfortunately the relatively high growth of tourism in the region (Indonesia, Malaysia and Philippines) does not appear to be sustainable with both high environmental costs and poor returns to local communities with large leakage either off-shore or to "local" political elites. The existing tourism landscape in PNG and Fiji also seems to follow a similar pattern, despite the fact that tourism is comparatively smaller and in the case of Fiji, declining and suffering economic losses because of the political instability.

Malaysia, Indonesia and the Philippines suffer in addition from the rapid growth of regional and domestic demand for tourism experiences that puts extreme pressure and rapidly exceeds the carrying capacity of local resources, utilities and existing infrastructure (see Bunaken Case study in Appendix). Combined with that despite some impressive local environmental policies and regulations, the reality is that tourism industries in the region are largely unregulated with a huge gap between formal policies and practical realities in the region.

This unfortunate pattern has serious implications for coastal tourism development with a propensity for tourism to presently cause significant negative environmental impacts whilst minimizing the generation of positive tourism impacts such as local economic returns. Even minor conservation initiatives (such as energy, water and waste management) related to the tourism industry are few and far between – with most domestic and regional visitors wanting a "luxury" or "hedonistic" experience (fresh, bleached white towels and linen sheets, extravagant use of water, imported luxury goods, opulence) rather than exercising any restraint or concern for the environment.

The WWF hypothesis does indicate that two secondary players – Tourism Operators such as chain hotels and cruise lines and tourism consumers (who may exert demand for green initiatives or exercise choice) also have some (if a relatively minor) influence on tourism development.

6.2 Influence of Tourism Operators/chain hotels/cruise lines

There are a number of tourism operators and green tourism initiatives in the region that may act as “Champions” or catalysts for change in encouraging more responsible and environmentally sustainable practices.

This includes laudable attempts in Malaysia by the Shangri La Hotel group who have committed to and support the ISO 14001 environmental management system and certification. In Asia there is a strong CSR presence by Banyan Tree Resorts¹² - with some excellent examples of coral reef rehabilitation and conservation attempts (albeit in the Maldives). However, the majority of sustainable tourism initiatives are led by western companies, or have expatriate managers who often see it as reputational risk mitigation – because they often have a large share of the more environmentally aware western market (e.g. Hilton, Marriot’s, Inter-Continental’s). There is also more technical sophistication and corporate awareness of substantial cost-savings involved with eco-efficiencies and good environmental management systems (often with sophisticated in-house across chain benchmarking programs that help monitor and evaluate environmental criteria).

This trend is also reflected in Tour wholesalers such as “Tour Pacific” – a Scandinavian operator specializing in the South Pacific destinations that has recently launched an internal eco-certification program¹³ that evaluates basic energy, waste and water usage. In fact, the push for “green” or sustainable tourism products and environmentally more responsible practices is very much dominated by the European / western market. This is reflected in some impressive attempts by the Tour Operators Initiative for Sustainable Development¹⁴ - a network of 25 Tour Operators supported by the United Nations Environment Program (UNEP), UNESCO and WTO with active involvement from the Center for Environmental Leadership in Business (CELB – Conservation International/ Ford motor company partnership). TOI/CELB have produced a number of useful handbooks and guidelines applicable to tourism, some with a focus on coastal and marine environments,¹⁵ albeit focused mainly on the Caribbean and the Americas.

There have also been impressive inroads and active campaigns for conservation initiatives that have been devised and carried out by Dive Organizations / Operators – from underwater clean-up days to targeted educational campaigns. The most successful of these are run by the

Professional Association of Diving Instructors (PADI) with the PADI AWARE campaign¹⁶. This has had very good response encouraging tourists to volunteer time to monitoring state of reefs, clean-up dives, beach litter collections and cash contributions to coral reef conservation initiatives – and this program is active in the region as well as internationally. There is good potential for leverage of the diving community to drive sustainable tourism initiatives – there is a good level of awareness of environmental issues amongst this niche, and a very real concern on the easily observed decline in water quality and environmental damage in coral reef areas (simply because corals are very fussy animals with narrow environmental limits – so minor changes are reflected in major declines of coral cover).

However, the success of these initiatives and campaigns, and demand for responsible tourism is mainly from the European and western market – which is unfortunately declining (particularly in Asian coral triangle countries) in importance and influence due to the dramatic growth of regional source markets spurred by the economic growth of Asian countries, relaxation of regional travel formalities and the burgeoning air travel fueled by Low Cost Carriers. Relatively “new” European markets such as Russia and the old Eastern Block countries do not have the same environmental ethics or responsible tourism concerns as the rest of Europe – yet are lured by the previous unobtainable “exotic” and this also adds to the lack of consumer interest or demand for sustainable practices amongst the majority.

6.3 Caveats posed by CESD

Consumer demand: *Understanding consumer demand and trends can be useful in terms of making the case to governments and industry for the market wisdom of more socially and environmentally responsible tourism development. There are a growing number of innovative players in mass tourism (owners of resort chains, smaller cruise lines, etc.) who are seeking, in various ways, to “green” their operations. WWF could seek ways to enlist and work with these as industry champions to strengthen a new type of more socially and environmentally responsible development.*

There is very obviously a large green gap amongst the majority of consumers in the region – with consumer demand for more responsible coastal tourism product relatively low or non-existent and high demand for “traditional “ (and largely unsustainable) 3S tourism resort enclave tourism remaining (albeit with slightly new twists such as “wellness” or spa tourism). There even seems to be growing demand for the higher-end luxury enclaves that escape the real world by providing everything on-site (and hence preventing distribution of economic benefits to local communities) with a growing tide of relatively newly affluent Asian (particularly Chinese and Indian) and Russian tourists who want a luxury, hedonistic experience. Environmental responsibility, ethical consumption, fair trade or sustainability initiatives do not thrive in this instance. However, this

market does favor known brands with an established international reputation and label – and this happens to often coincide with hotel chains and tour operators who have often already embraced eco-efficiencies to ensure greater profitability through cost-savings, and have been forced to address corporate social responsibility to some degree to give reputational risk protection.

There is also growing realization from both civil society and small pockets or enlightened government officials of the need to protect the golden goose – the natural and cultural heritage of the region. This is combined with a very gradual shift amongst the relatively unsophisticated regional source markets for tourism niches of adventure, eco, cultural and activity-based holidays that are moving away from the traditional large scale mass tourism-type resorts into something more benign. The younger generation of affluent Asians is beginning to appreciate more nature tourism-type activities that demand relatively un-spoilt environments (snorkeling and diving, trekking, wildlife watching, bird-watching, camping, touring etc.) and there is potential to capitalize on this trend by more aggressive promotion of CSR and environmental issues by tourism operators, accommodation and wholesalers.

Various international certification programs (Green Globe, ISO 14001, Ecotel have made a mark in gaining the attention of the industry and government – and like other regions there has been a surge of interest in adopting or adapting these programs (or designing new national-specific) certification programs for the tourism industry. The best known, and most successful certification program for sustainable tourism in the Asian region is the Thai-specific program Green Leaf program – but the Philippines, Malaysia and Fiji have all flirted with developing their own programs and ecotourism-specific guidelines with very little success to date. Concerted efforts and financial support for a regionally-specific program is likely to have more success than each country developing fragmented attempts at certification and guidelines that have little potential for consumer recognition.

The Pacific Coral triangle countries do not have the same environmental pressures, or sheer tourism numbers pressures as Malaysia, Indonesia and the Philippines, but the small island states and countries like Fiji do have to contend with the very real problem of symptoms of global warming. The Pacific is one of the lowest producers of greenhouse gases, yet likely to take the initial brunt of the symptoms of rising sea levels, coastal inundation, increased storm numbers and strength. The source markets for tourism in Fiji and most of the Pacific countries make this area a long haul destination – and the publicity surrounding the contribution of air travel to climate change has been huge. The potential to use the surge of environmental awareness arising from the massive publicity surrounding global warming and climate change is strong.

7.0 Recommendations for WWF

7.1 Leverage points for ensuring sustainable tourism

In assessing what role WWF could play in promoting sustainable tourism, this and the other two regional studies highlight several key strategic considerations regarding the relationship between tourism and conservation. They include:

- A large and thriving nature-based tourism industry does not necessarily translate into sustainable conservation outcomes, even where the links between the resource and the tourism industry are clearly understood by all stakeholders.
- For tourism revenues to translate into effective conservation incentives, the distribution and control of revenues -- i.e. who reaps the benefits of tourism -- is a fundamental issue. For tourism to contribute effectively to conservation it needs to channel substantial benefits to both national and local levels of society.
- Issues of *governance* revolving around rights to and ownership of resources largely determine who shares in tourism's economic benefits, and are thus central to promoting tourism as a component of effective conservation strategies. The control over tourism revenues, and the environmental assets that tourism depends on, is predominantly a political issue rather than a technical one.
- Key ingredients in the success of ecotourism ventures will be industry champions -- visionary and committed private sector leadership that help create and promote the advantages of tourism enterprises that create both significant community benefits and conservation initiatives.
- Local institutional capacity is also often vital for sustaining such ventures, particularly in terms of defending local land and resource claims from the external expropriative pressures that commercially successful ventures in the region face.
- Effective NGO facilitation can be invaluable both in terms of forging private-community partnerships and building local capacity for tourism management.
- Decision making in the countries covered in this research can be very complex and can be influenced by history, politics, the legal and institutional frameworks, international image of the country, and expected profitability, among others.
- When working with governments, it is important to influence them to adopt

and implement sustainability strategies. Governments require addressing people's needs, such as poverty alleviation, generation of jobs, and good quality education, health and housing services.

- Offering people good quality of life includes the conservation of biodiversity and the natural environment as well as the preservation of cultural values. In fact, this is even more crucial in tourism, which depends on the natural and cultural attractions of destinations.

7.2 Specific strategies and options for a WWF tourism program

Keeping in mind these considerations, there should then be an identification of national and international potential partners as well as target groups for a WWF sustainable tourism program. Reasons for choosing partners must be clear, including an evaluation of political support, funds, technical expertise, and dissemination of information.

- **Climate change:** Coral Triangle nations play a particularly important strategic role in the Asian region, and it is here where the climate change issue will be won or lost. Most of the world's future emissions growth is projected to come from Asia, mainly from India and China. Emergence of climate change as a key tourism issue – particularly relevant to the Small Island States, that face not only rising tides, and increasingly unpredictably weather, but also are long haul destinations. The intersection of tourism and global warming needs to be tackled at various levels:
 - **The tourism industry** is increasingly aware of the issue of climate change and coral bleaching but they have not been actively engaged in the issue. WWF needs to engage a group of tourism industry bodies across the region by partnering on publicizing and promoting practical action. Working with the tourism sector locally is crucial for getting the governments in the region to see climate change as a threat to development. Having private sector allies is fundamental to getting access to the highest level decision-makers.
 - **Regional forums:** The South East Asian nations that are the home of the Coral Triangle are also the central members of ASEAN (Association of Southeast Asian Nations), a coalition of ten regional organizations and APEC (Asia-Pacific Economic Cooperation) a forum for 21 Pacific Rim countries and these are increasingly important forums for the entire region to discuss trade, set policy and tackle issues such as climate change. Our vision is that as a result of this climate change initiative, the governments of the Coral Triangle are made much more aware of the national economic losses from climate change and then play a stronger diplomatic role

in multi-lateral forums (such as ASEAN and APEC) to pressure world's big emitters to take stronger action.

- **National governments:** Support national and local authorities in coastal land use planning and implementation. Plans should define what can and what cannot be done and where. These processes should be participatory, including tourism and natural resources authorities, the community, the private sector, NGOs and others. The purpose of a plan should not be to exclude development, but to do it according to the capacity of the territory, preserving its natural cycles and biological diversity. Precisely, the role of WWF should be to make sure that the dynamics and needs of ecosystems and species are taken seriously into consideration in the design of the plan.
 - Participate in **legislative processes**, where WWF may provide technical expertise for legislation related to marine and coastal development, biodiversity conservation and implementation of international conventions and treaties.
 - The links between the Coral Triangle nations and **China and India** are particularly important. The nations are linked by investment, security, resources and close cultural ties.
- **International development institutions:** In order to be more effective at national and local levels, WWF must also work at the global level, with international development and lending agencies, such as the World Bank, USAID, UN agencies, and others. These entities are in a position that allows them to influence the national agendas in sustainability. With billions of dollars of development assistance flowing into projects with tourism components, WWF should not ignore these development agencies as potential allies in building its tourism strategy.
- **Private financial institutions:** Financial institutions and banks involved in financing tourism projects and infrastructure could be another interesting target. Many of them implement social responsibility programs and could be attracted by biodiversity conservation and sustainability. Besides, they have the possibility of using sustainability criteria when choosing clients who are investing in tourism and housing developments.
- **Protected areas and conservation:** WWF is already deeply involved in a range of marine and coastal environmental issues in the Coral Triangle countries. In promoting sustainable development, WWF should concentrate on tourism destinations of high biodiversity, vulnerable species, and protected areas in order to ensure the conservation of beaches, mangrove swamps, estuaries, coral reefs, turtle nesting sites

and cetacean resting areas.

- **Certification and setting standards:** Work with the private sector disseminating sustainability practices that apply to all phases of tourism and real estate developments: designing, construction and operation. Work with different industries related to tourism and real estate: construction, lodging, tour operators, investors, and others. WWF can also assist local communities with information and technical assistance in the implementation of sustainable productive activities based on biodiversity.
- **Green travel market:** We concur that WWF should not focus its intervention directly on travelers or consumers, but understanding the current strength of the “green” travel market is an important component in building a sound case for the benefits of socially and environmentally responsible tourism development. Its focus should be on promoting specifics on the green travel trends to governments, tourism developers and investors, international agencies, and the media.
 - **Research:** Carry out research to generate knowledge and information about the impact of tourism and residential development on the natural ecosystems and key species and use this information to work with decision makers.
 - **Media outreach:** Get the attention of the Media to disseminate information on topics such as the impact of tourism and residential development on biodiversity, sustainability and conservation programs supported by WWF and its allies, positive case studies, and others.
- **Industry champions:** There are a growing number of innovative players in mass tourism (owners of resort chains, smaller cruise lines, etc.) who are seeking, in various ways, to “green” their operations. WWF could seek ways to enlist and work with these as industry champions to strengthen a new type of more socially and environmentally responsible development.
 - The participation of the private sector is essential. There are **tourism and real estate companies** which are aware of the need to preserve the natural and social values of the destination and are more willing to implement sustainability practices. Some of these are making huge investments, understand what is at stake, and are willing to take action. Identifying and working with these enterprises could be a way to influence the rest of the sector.
 - One way to involve the private sector is to work with professional **associations and chambers** such as tourism, construction or real estate chambers.

8.0 Tourism Initiatives/ Studies/ Resources

Desk Review

1. WWF in the Region – Analysis of activities in region related to tourism

Overview of

- WWF Malaysia
- WWF Indonesia
- WWF Philippines
- WWF South Pacific (PNG and Fiji)
- WWF Australia links

Main WWF programs:

- WWF Global Marine Program (Marine>Sustainable Use>Tourism)
 - Tour Operators Initiative
 - Financing marine protected area (MPA's)– Bunaken National park, Indonesia, and Batangas, Luzon Island, Philippines
 - Community-based tourism development
 - WWF GBR Campaign www.gbr.wwf.org.au)
- Coral Triangle Initiative

NGO's

- The Nature Conservancy – Coral Triangle Centre Based in Bali, Indonesia with significant staff and publications. Work program currently conducted in Komodo, Wakatobi, Raja Ampat and Derawan. Significant ecotourism/ community based ecotourism initiatives in Komodo, worked in partnership with local and international NGO's (including WWF).
- Wetlands International
Green Coast Program – tsunami-affected areas of Indonesia and Malaysia: improving resilience of coastal ecosystems and communities. Has project in Berbak Sembilang that looks at poverty alleviation including tourism development
- Conservation International: Marine RAP (Rapid Assessment Program using indicators of mollusks, corals and fish) – of 10 regions targeted for coral reefs include Philippines and Sunda islands (Indonesia) – has marine portal. CI has also recently partnered with SPREP on MPA
- Coral Reef Alliance (CORAL) NGO based in California – outreach and

programs to help support coral reefs including sustainable tourism initiatives (training, technical assistance and financial resources)

- Coral Cay Conservation – presently working in both Philippines and PNG (Waria valley)
- FSPI – Foundation of the peoples of the South Pacific International
- PSDNP – Pacific Sustainable Development Networking project

Scientific Organizations working in the area

- ICRIAN International Coral Reef Action Network – public/private partnership to conserve/manage coral reefs including alternative livelihood programs.
 - Projects in target area include Apo Island, Bunaken National Park Indonesia, Tubbataha Reef and Palawan in the Philippines. Includes tourism initiatives.
- ICRI International coral reef Initiative – a response to global degradation of coral reefs – partnership of countries (including Philippines) along with CORAL, IUCN, UNDP, UNEP and World Bank .
- IMPAC – International Marine Project Activities Centre: a collaboration of international agencies that focus on assisting people develop sustainable livelihoods and conserve resources in Asia-Pacific (links to Australian Institutes – i.e. AIMS, GBRMPA CRC Reef Research etc) has fisheries bias. Now absorbed/ re-badged into the RRRC (Reef and Rainforest Research Centre)
- Global Coral Reef Monitoring Network (www.gcrmn.org)
- International Oceans Institute – a regional centre for Australia and the western pacific (www.impac.org.au/associates/ioi)
- COREMAP – Indonesian Coral Reef Rehabilitation and Management program supported by World Bank

Major funding agencies / AID Programs

- Asian Development Bank – IBRD projects
- IMF
- World Bank
- US AID
- DFID (UK)
- Aus AID

Coral Triangle: Sustainable Tourism Strategies

- NZ AID Involvement in Philippines ecotourism strategy and Standards
- AFD French Development Agency (particularly in Pacific, funds CRISP)

International Organizations

- UNESCO – (look at Environment and development in coastal regions and small Islands..)
- UNEP
- GEF

Regional Organizations

- Secretariat for the Pacific Regional Environment Program- SPREP
- SPTO (South Pacific Tourism Organization) now known as South Pacific Tourism – Based in Fiji, has website and information in both English and Chinese (not French!)
- ASEAN (developing cruise development framework for region – Hanoi action plan specifically addresses coastal and marine environments)
- APEC
- World Commission on Protected Areas: South East Asia (WCPA SEA)
- PATA – Pacific Asia Tourism Association
- SPREP – Secretariat of the Pacific Regional Environment Program – regions inter governmental organization established in 1993 that includes 21 Pacific Islands and territories of France, the US, Australia and New Zealand. Mandate is to “promote cooperation in the Pacific islands region and to provide assistance in order to protect and improve the environment and to ensure sustainable development for present and future generations”.
- CROP – Council of Regional Organizations in the Pacific

Foundations working in marine area in the region

- David and Lucille Packard Foundation
- John D and Catherine T McArthur Foundation
- Darwin Initiative
- Reefwatch Foundation

Interview List:

- Lida Pet-Soede, WWF-Indonesia lpet@wallacea.wwf.or.id
Coral triangle Initiative.
- Lousie Heaps, WWF-Fiji
- Bruce Bunting - WWF USA (in conjunction with connections with El Nido, Philippines)
- Clive Wilkinson Global Coordinator AIMS, Townsville
c.wilkinson@aims.gov.au see www.gcrmn.org (LMMA locally managed marine area network, population, consumption and environment Program and SOCMON funded by Mcarthur Foundation) and clive.wilkinson@impac.org.au or 07 4729 6452
- Benjamin Kahn, APEX International (whale watching).
- Steve Noakes (PATA, Sustainable development working group and Pacific Asia Tourism Group)
- Albert Teo – (Sabah Ecotourism Operator, Malaysian)
- Oliver Hillel – (Philippines/ Palawan Master Plan etc)
- Etika Rupeni – Regional Communities and Coasts Program Manager: Foundation of the Peoples of the South Pacific. etika.rupeni@fsi.org.fj 679 3312250
- Susan Noakes: Ecolodge co-owner Indonesia, PNG tour operator
- Dominique SPEP
- Cathy Parsons/ Ren Zhuge: Green Globe Program
- David Wickline: Tourism Developer

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- RAMSAR Convention
- Montreal declaration on the protection of Marine environment from land-based activities.
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WTTC 2002: Malaysia: The Impact of Travel and Tourism on Jobs and the Economy.

Useful sites

Ecotourism Melanesia Ltd.: Information on PNG and Solomon Islands. www.em.com.pg

Endnotes:

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- ¹ WWF The Coral Triangle: Centre of Marine Biodiversity Brochure
- ² WTTC Travel and Tourism Economic Research Regional Satellite Reports 2007
- ³ WTTC Travel and Tourism Economic Research Regional Satellite Reports 2007
- ⁴ WTTC Travel and Tourism Economic Research Regional Satellite Reports 2007
- ⁵ The national ecotourism Plan identified RM 10 million between 1996 and 2000 to support ecotourism projects as pioneers>
- ⁶ see Association of Private Hospitals of Malaysia www.hospitals-malaysia.org or the health tourism portal at www.malysiahealthcare.com
- ⁷ WTTC Travel and Tourism Economic Research Regional Satellite Reports 2007
- ⁸ Climate Action Network Australia
- ⁹ IMPAK 2000, and A Kasim: Corporate Environmentalism in the Hotel sector, 2007..
- ¹⁰ WTO Guide for Local Authorities on Developing Sustainable Tourism: Supplementary Volume on Asia .
- ¹¹ The Cultural and Environmental Politics of Resort Development in Bali: C Warren.
- ¹² See www.banyantree.com/greenimperative/buisnesses.htm
- ¹³ see www.spto.org
- ¹⁴ see www.toinitiative.org
- ¹⁵ Supply Chain Engagement for Tour Operators: Three Steps Towards Sustainability 2004; A Practical Guide to Good Practice: Managing Environmental and Social Issues in the Accommodations Sector: From Ship to Shore :Sustainable Stewardship in Cruise Destinations; A Practical Guide to Good Practice: Managing Environmental Impacts in the Marine Recreation Sector; and Tourism Impacts on Coral reefs: Increasing Awareness in the Tourism Sector 2001
- ¹⁶ go to www.projectaware.org/asiapac/english