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**NATURAL RESOURCES MANAGEMENT PROJECT**

BAPPENAS – Ministry of Forestry  
Assisted by  
USAID

**ECO-TOURISM DEVELOPMENT IN BUNAKEN  
NATIONAL PARK AND NORTH SULAWESI**

Associates in Rural Development  
for  
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## PREFACE

This report is one of a number of reports produced under the Government of Indonesia's Natural Resources Management Project (NRM) that is assisted by the United States Agency for International Development (USAID).

The NRM Project, working with the Indonesian National Planning Board (BAPPENAS) and the Department of Forestry (Departemen Kehutanan), provides through a specially established project Policy Secretariat advice to BAPPENAS on natural resource issues relating to long term and short-term national planning. In addition, working with the Department of Forestry the NRM project carries out field activities in two pilot project areas one in West/Central Kalimantan and one in North Sulawesi including the preparation of management plans for the Bukit Baka - Bukit Raya National Park in Kalimantan and the Bunaken National Park in North Sulawesi. Each report addresses an aspect of the planned NRM project activities that are agreed on and laid out in an annual NRM Implementation Plan and each report aims at providing specific recommendations for future work in the area addressed.

This report looks at the potential for eco-tourism in the Bunaken National park in North Sulawesi as well as in the province itself. It makes recommendations of how eco-tourists might be attracted to the National Park and how the benefits of this tourism can help the residents living within the park.

## NOTES

The following report presents the findings from a one man-month study carried out in October 1993. Statistical data was collected from secondary sources of uncertain reliability and semi-structured interviews of members of Manado's travel industry. Because of the limited time available, little of the data collected could be checked for accuracy. Despite its limitations, the author decided to present some of this data but cautions that it is only indicative.

For further study and refinement of the conclusions and recommendations in this report, in addition to re-checking the statistical data, it would be most useful to study the experience of Bali in creating its unique image in world tourism and also the experience of other Indonesian national parks in promoting and regulating eco-tourism. The current assignment did not afford this opportunity.

## EXECUTIVE SUMMARY

This purpose of this report is to prepare plans and recommendations for eco-tourism in and around Bunaken National Park, North Sulawesi, in order to maximize economic benefits over the long term while minimizing environmental costs. It is based on a one-month study funded by the USAID- assisted National Resources Management Project and carried out in October 1993, at a point when tourism in the area was poised to take off, awaiting only the improvement of international air service expected for early 1994. That this tourism take-off will occur was confirmed by most available statistics, almost unanimous confidence on the part of all players in the local tourist industry, and the consultant's own observation of the existing and potential tourist attractions.

The major findings and recommendations are as follows:

1. The number of foreign tourist arrivals in Manado increased at the rate of 27% per year over the last four years, reaching about 13,000 during the current year. Due primarily to the world class diving available in Bunaken National Park along with unique opportunities for wildlife viewing in several protected forests, international tourism is projected to continue expanding at this rate until the end of the decade, by which time Manado should be receiving about 50,000 foreign tourists and a roughly equal number of Indonesian tourists. In order to sustain the growth of tourism beyond this initial surge, tourism development must be planned, regulated, and continuously adapted so that it does not exceed the carrying capacity of these fragile natural attractions.
2. Examples from around the world show clearly that long-term economic benefits from tourism can best be sustained by aiming for low volume and high value. Over the long term, the price tourists will pay to enjoy a truly unspoiled wonder of nature continue to rise if admission is restricted. In the near term, it is proposed that prices charged to tourists today are in many cases too low and could be raised with small improvements in product quality. This is most evident with the homestays at Bunaken and Tangkoko.
3. The way to implement the above strategy is to push for quality in every aspect of the tourist experience. Most important is the conservation of the quality of the marine and forest resources of the province. Today's international tourists, particularly divers and nature tourists, are extremely sensitive to the quality of the environment. If the environment deteriorates, word spreads quickly through the world tourist market, with a consequent slowing down of arrivals, especially of up-market tourists. Also important are

high standards of service, food quality, architecture construction of facilities, promotion, and safety.

4. Quality will be high to the extent that tourism growth is planned and controlled. There must be strict controls of all activities and tourist developments. How and by whom? Since the private sector and various public agencies (especially Forestry, Tourism, and Environmental agencies) already have important roles, control can only be achieved by a board in which all major players are represented.
5. To regulate industry growth, the province and the park urgently need a master plan for eco-tourism development. Construction of facilities is already occurring without control, and if tourism "takes off" before control measures are in place, it will be much more difficult to achieve quality and high value. Foreign aid funding should be sought to hire an international team, including an architect/planner to prepare a concept, master plan and standards for accommodations, advertising professionals to create a promotional theme and materials, a marketing man to prepare a marketing plan and initiate international marketing of North Sulawesi as an eco-tourism destination, and an institutional specialist.
6. The study suggests several new eco-tourism attractions and ways to share the benefits of the eco-tourism business with park residents. Among eco-tourist attractions proposed is a 2 day/1 night tour of the islands is proposed, which takes advantage of the unique and varied traditions which can be seen in the islands while, at the same time, providing income to islanders and giving them a stake in the conservation effort. The existing cottages ("homestays") on Bunaken island, mostly owned by resident families, should be moved back from the beach and re-built according to a master plan and building specifications prepared by the park authority with consultant assistance. Additional small eco-tourism developments are proposed for Tangkoko nature reserve, Rurukan village in the highlands, and a restaurant with cultural shows in the town.

# 1. ECO-TOURISM AND LESSONS LEARNED

## 1.1 Definition of Eco-tourism and Scope of This Study

A general definition of eco-tourism is tourism which does not damage the environment of the place visited or the deter from the tourist's enjoyment of pristine nature. Since much of present and projected tourism to North Sulawesi impinges on Bunaken National Park and other protected areas in the province, this study had to look beyond the confines of the park. At present, the most direct environmental impact is from the park residents. The dive operators, bringing divers to the reef, and Manado hotels and travel agents, taking people to view the coral through snorkel masks and glass bottom boats also have an impact. The very large scale resort communities planned for the coast will further add to the numbers of tourists coming to enjoy the marine park and forest reserves. Thus, the whole spectrum of tourism in the province must be considered if we are to evaluate at what point planned tourist developments will damage the ecosystems and detract from the tourist's enjoyment.

A narrower definition can be applied to developments which are specifically designed as eco-tourism. These include adventure, nature, and other tours to protected or pristine areas of natural beauty and resorts, usually small, designed to blend into the natural environment which tourists come to enjoy.

Since the objective of eco-tourist activities is to enable tourists to experience traditional culture and nature without disturbing the ecology of the areas visited, they must be designed for small numbers. Since they nonetheless require careful planning and high standards of quality in design, construction, service, and safety, they are highly management-intensive. They are also below the scale generally considered financially feasible in the hotel industry, which believes that there is a critical minimum cost of management and marketing which can only be supported by a hotel with 40 or 60 rooms. For these reasons, serious investors in the currently booming Asian economies are generally not interested in investing their time and money in eco-tourism.

Because of their small scale, eco-tourist developments generally must be **owner-operated** and are more likely to attract enthusiasts or middle class businessmen who will devote themselves, and often their families, to the business.

At the same time, Manado hotel and resort developers and general travel agents should not ignore these activities. They will need new quality attractions to attract and keep their guests.

## 1.2 Eco-tourism Around the World and Lessons Learned

A recent publication of the United Nations Environment Program describes tourism in places of natural beauty and national parks in numerous countries around the world. The lessons are rather clear.

All along Spain's sunny Costa Brava on the Mediterranean, there was a boom of resorts and condominiums catering to Northern Europeans who could not afford or were fleeing the crowds of the French Riviera. Unchecked growth led to proliferation of high rise condominiums and an eventual collapse of the real estate market. The region now caters to the lower end of the market, with up-market vacationers moving to new, unspoiled destinations.

Costa Rica declared a large share of its rainforest and beaches as protected areas. On some beaches, resort development was allowed but only on a small scale and well off away from the beach. Americans and others now flock to Costa Rica's rainforest despite high prices. Food is priced higher than in the United States, and some of the eco-tour resorts near the beach command rates of \$500 per night.

Due to their increasing popularity, some famous US National Parks have had to limit the number of daily visitors. On some American rivers popular for river rafting, adventure tour operators pay very high fees for permits to operate a strictly limited number of raft tours.

New Zealand caters to tourists who pay up to \$150/day to experience that "misery can be fun." The country protects large areas of its spectacular scenery and wilderness and offers 4-day walks, where everyone uses one standard of simple accommodation. Because air fare to their country is relatively expensive, they determined to compensate with the quality of the experience offered to nature tourists. With a population of 3 million, New Zealand has 1 million tourists a year, and tourism is the nation's highest foreign exchange earner.

Bhutan charges all tourists \$200/day to enjoy the unique cultural and natural setting of the Himalayan kingdom. All visits are arranged through a limited number of tour operators. With tourist arrivals at about 2,000 per year, they are under target, partly because religious leaders pressured the Government to close their impressive Dzong (temples), which had been a major attraction.

Pattaya, Thailand's first international beach resort, was allowed to develop with inadequate control of building style and density, without land use planning, and with inadequate provision for disposal of pollutants. Once a booming resort, it has fallen on hard times as a result of its reputation for neglect of its environment. Beautiful four-star hotels sell their rooms at cut-rate prices, and many are for sale with no bidders. Hoteliers

are now trying hard to improve the environment and reverse Pat-taya's image, but the tourists have already moved on to newer, cleaner spas.

The Galapagos in Ecuador, a world heritage site presently receives about 50,000 visitors a year, the limit of the carrying capacity as determined by the park authority. Other aspects of tourism are strictly regulated, and visits are scheduled so visitors still feel alone with nature. A high entrance fee of US\$50 is charged. The Galapagos continues to attract visitors to the park and other sites in Ecuador.

The lessons are clear.

1. Protection of the natural environment and strict control of tourism development leads to continued increase in the popularity and income earned. Where this is not done, there will be a short-lived boom, followed by rapid decline in the number and class of visitors.
2. By controlling the number of visitors allowed access to protected areas of unique natural beauty, both the demand and the price tourists are willing to pay for access rise rapidly and are maintained in the long term.
3. The means to control development include land use planning, based on estimates of carrying capacity, zoning, permits for accommodations and other facilities, high entrance fees to discourage careless visitors and raise funds for park maintenance, formal public-private sector cooperation, and promotion as an up-market, environmentally correct destination.

### 1.3 Government Promotion of Eco-tourism

In 1990, the Government promulgated Act No. 5 on the Conservation of Living Resources, providing a legal basis for measures to protect the natural environment. The act provides stiff penalties for actions which modify the natural integrity of national parks and other protected areas.

Parks are divided into Core Zones, Traditional Use Zones, and Utilization Zones. Concession for tourism activities may be granted in Utilization Zones - and revoked if the activities become harmful to the protected habitats. Concessions may be granted to cooperatives, government-owned companies, private companies, or individuals. The holders of concessions are encouraged to promote the involvement of people in the area in activities which provide them a livelihood not depending on exploitation of the natural resources.

A Ministry of Forestry decree, (no. 687 & 688/kpts-II, 1989) lays down guidelines for investment in national parks and cautions that carrying capacity must be taken into account. Conservation areas specifically allocated for eco-tourism include 31 national parks, 68 recreation forests, and 72 hunting parks.

Forestry regulations stipulate entrance and other fees to be collected by national parks, but because these funds must be remitted to the central Government treasury, only a small portion of is likely to be re-invested in park operation and maintenance.

The Ministry has approved the following eco-tourism developments in various national parks.

- a. Bukit Barisan Selatan NP. PAT Sac Nusantara has received approval to develop accommodations and conventional and beach tour activities but may not have started to develop yet.
- b. Ujung Kulon NP. PT Wana Wisata Alam has developed accommodations, transport facilities, and guided tours since 1988.
- c. Alas Purwo NP. PT Wana Wisata Alam Hayati has developed accommodations and organized surfing and other recreation on the beach.
- d. Bali Barat NP. PT Salda Mustika Inti is developing cottages, restaurant, and other supporting facilities.

There are some additional investments in Taman Wisata Alam, such as Bangko-Bangko.

Little further information was available to the consultant. A detailed survey of these concessions could yield valuable lessons for development in Bunaken and other areas, particularly with regard to suitable institutional arrangements.

## 2. PRESENT AND FUTURE TOURISM TO NORTH SULAWESI AND BUNAKEN

### 2.1 Projected Growth of Tourism in North Sulawesi

The available figures for tourism in this province are not precise. There are estimates from official agencies and researchers, and the various estimates are not consistent. Estimates vary widely for the number of foreign and domestic tourists, average length of stay, and average expenditure. The consultant arrived at the figures in Table 1 by evaluating all these estimates and checking them against primary data collected from individual travel agents, hotels, and dive centers.

Despite statistical difficulties, there are many reasons to predict a boom in tourism in the province, particularly after the anticipated improvement of air service. The World Tourism Organization tells us that almost 500 million tourists cross international boundaries every year, increasing at 4% per year and making tourism the world's largest industry. Developing nations as well as nature tourism are getting an increasing share of this business, as people seek to escape the pressures of modern urban life. In the newly industrialized and industrializing countries of Asia, there is a burgeoning middle class with the money and desire to travel. There are 10 million certified divers in the world, and sport diving is gaining rapidly in popularity.

## KEY FIGURES ON TOURISM DEVELOPMENT IN NORTH SULAWESI

Item	Present 1993	Projected 1999	2010
<b>1. Total tourist arrivals</b>			
1.1 Foreign	13,000	46,000	100,000
1.2 Domestic	32,000	51,000	84,000
<b>2. Growth rate</b>			
2.1 Foreign	1993-98 @ 27%, 1999-2010 @ 7%		
2.1 Domestic	1993-99 @ 8%, 2000-2010 @ 6%		
<b>3. Foreign tourists by type/activity</b>			
3.1 Divers	4,600	15,000	30,000
3.2 Package tours	5,400	23,000	52,000
3.3 Other	3,000	9,000	18,000
<b>4. Average length of stay (nights)</b>			
4.1 Divers	10	7	7
4.2 Package tours	4	4	4
4.3 Other	10	10	10
Ave., all foreign	7.5	6.2	6
4.4 Domestic	4	5	5
<b>5. Average daily expenditure (\$US)</b>			
5.1 Foreign	80	125	125
5.2 Domestic	40	60	80
<b>6. Available rooms</b>			
6.1 Dive centers	70	200	300
6.2 Resort & tourist hotels	413	1,424	2,851
6.3 Losmen/melati	924	843	1,507
6.4 Homestays in park	60	80	100
	-----	-----	-----
	1467	2,547	4,758
<b>7. Gross income from tourism (US\$mn)</b>			
7.1 North Sulawesi	12	44	96
<b>8. Gross income, park residents (in US\$'000)</b>			
8.1 Farming, fishing, etc	2,000	2,000	2,000
8.2 Tourism			
Homestays	200	1,000	2,000
Boat service	20	100	200
Four Islands Tour	0	140	280
Employment in tourism	50	250	500
	-----	-----	-----
<b>Total, tourism</b>	270	1,490	2,980

## COMPARATIVE FIGURES ON TOURISM GROWTH IN ASIA

### 2.1 Average Annual Growth (%) in Tourism, 1988 - 1991

World/Asian	Growth Rate Projected
World tourism	6
Thailand	7
Hong Kong	1
Philippina	10
Malaysia	5
Singapore	13
Indonesia	23
North Sulawesi	27 (1989)

### 2.2 Average Annual Growth (%) of Arrivals by Airport in Indonesia (1991 - 92)

Destination (Airport)	Growth Rate (%)	Share (%)	Amount of Tourists (1992)
Jakarta (Soekarno-Hatta)	16	25	978,487
Bali (Ngurah Rai)	20	23	740,806
Sumatera			
Polonia, Medan	13	6	169,946
Batam, Riau	33	23	678,068
Other airport	67	11	496,836

### 2.3 Average Daily Expenditures and Tourists in Indonesia, by Country, 1991

Nationality	Daily Exp. (US\$)
Singaporean	219
Japanese	215
Malaysian	72
Australian	73
Taiwanese	241
Germany	87
English	72
French	117
Hong Kong	175
Italian	144
Philippinese	161
Swiss	75

All these factors are working on behalf of Indonesia. The flow of tourism to Indonesia has been constricted by inadequate air access, and there is clearly pent-up demand for this country with its unusual variety of unspoiled natural and cultural attractions. The growth rate of foreign tourism over the last few years has been 15-20%, with tourist arrivals reaching about 2.5 million in 1992. This is remarkable when we realize that since the Gulf War of 1991, the world economy and world tourism has been plunged into recession. Travel industry analysts generally project a gradual recovery starting in late 1994, and tourism in Manado should grow even faster after that recovery if it is not limited by available seats and high costs for air passengers.

In some aspects, the tourist attractions of North Sulawesi may not compare with other provinces. The hills around Manado have neither the rich primary forest of Sumatra and Kalimantan nor the lush green rice and vegetable terraces of Bali and Java. The province contains few beaches of the standard normally required for international beach resorts. A world class beach should have fine bright sand, no rocks or coral close to the shore, a gradual slope for safe swimming, and shade trees at its edge. With coral or mangrove fringing most of its coast and islands, the province is unlikely to have this type of beach.

However the coral reefs in Bunaken and off other islands in the province are world class, that is to say, probably among the ten best diving destinations in the world along with the Maldives, Micronesia, Australia's Great Barrier Reef, and the Caribbean, and they are still being discovered by the diving world. In addition, there are two unique areas for the viewing of forest wildlife (Tangkoko and Dumoga Bone) and other spots with high potential (Rurukan and Sangir Island).

This indicates potential for a very rapid increase of arrivals over the next few years, after which one can expect a leveling off in demand growth. According to figures from the Regional Office of the Department of Tourism, the average growth of foreign tourism over the last four years was 27%, and this growth rate will probably be maintained for the next 5-7 years. Thus, the consultant's projection is that the number of relatively high-spending foreign tourists will reach 50,000 by the end of the decade and double over the subsequent decade. (By comparison, Tana Toraja receives over 100,000 visitors a year, though they must get there by a 7-hour bus ride.) These projections assume that limited air access will continue to be a drag of tourism growth.

All people involved in the province's travel industry are well aware of the importance of expanded air service to the growth of arrivals. Although Manado was declared Indonesia's fourth gateway in 1983, little has been done to implement this declaration. There is still no convenient, inexpensive way to fly here. The flight from Jakarta costs almost \$500 round trip, equal to Bangkok - Bali.

The flight from Bali leaves tourists sitting in Ujung Pandang for five hours. As yet, there are no direct international flights except one from the Philippine town of Davao. In the consultant's view, the most useful addition would be a reasonably priced direct flight from Bali, already the host to over 1 million tourists per year who fly there cheaply and are looking for the type of attractions North Sulawesi can offer. The Government's tourism planning shows Bali becoming an important "distribution point" for tourists to other provinces.

Instead it is expected that the first improvement will be the initiation of twice weekly flights from Singapore by Silk Air (associated with Singapore Airlines). The beginning of this service has already been postponed, but local officials indicated that it is "90% certain" it will begin in March 1994. There is expectation of additional regular charter flights from Taiwan and possibly Japan. Another important development will be the extension of the Manado airport to receive wide-bodied jets by 1996.

According to the following estimates, the Silk Air flights at 100% capacity would increase the annual the number of foreign and domestic tourists coming per week from 28,000 to 38,000, or about 36%.

Projected Weekly Tourist Arrivals by Air, 1994

<u>Carrier</u>	<u>Service</u>	<u>Weekly Total</u>	<u>% tourists</u>	<u>Tourists</u>
Silk Air	twice/wk	200	100%	200
Garuda	daily	1,750	25%	263
Sempati	daily	700	20%	140
Bouraq	daily	700	20%	140
Total				743

2.2 Present State of Tourism Development

Despite its potential for future tourism development, North Sulawesi presently has all the characteristics of an immature destination in terms of its readiness to serve tourists. According to the provincial tourism office, there are 5 tourist class (1-3 star) hotels with a total of 413 rooms. These hotels receive a preponderance of Indonesian guests, coming for meetings or business. Service is friendly but unprofessional, and food quality low by international standards.

Numerous family-run losmen and melati, with a total of 924 rooms, cater mostly to Indonesians.

Four dive centers with a total of 70 rooms expect to handle over 4,000 divers in 1993. They are located in Molas, a coastal village well located for boat trips to the reef. The divers who patronize these centers are generally undemanding in terms of room and food standards and are, with a few reservations, basically satisfied. However, improvements could be made which in the long term would enable the diving sector to capture the higher rates common in other destinations. Language ability of the dive guides does not allow for transfer of information about the fish and coral seen on dives or consultation with divers on the dive plan. Safety standards are acceptable but could be improved. Dive boats, landscaping and food could be improved by more professional planning and design without necessarily raising costs.

Inside the national park, there are 12 so-called homestays of about 3 rooms each and 3 small cottage developments with 7-15 rooms. Most are located on the island of Bunaken, where they illegally built right on the beach. Siladen also has two establishments. The homestays are operated by park residents and charge budget rates for a bamboo and thatch room and three meals. They claim to be full during the July-August peak season and earn considerable income from local Sunday day-trippers who come to eat and rent their boats. Because they use local materials, their investment is only about 1 million rupiah for a 3-room homestay. The cottage developments are operated by non-resident businessmen. They are of a slightly higher standard, with attached bathrooms, and charge somewhat more.

Lastly, two international resort projects are underway. The first at Tasik Ria is owned by the Manado-Minahasa Tourism Development Corporation (PT. MTDC), a government owned company receiving preferential financing from a Government bank. This project is modeled after the BTDC which built the Bali Beach Hotel in the 1960s, when tourism to Bali was just getting started. The idea is to kick-start tourism by government stepping in at a time when conditions may not justify a private resort investment. The project has sites for five hotels with a total of 1,000 rooms. So far, one 4-star hotel has been built with 207 rooms, and the occupancy is still a low 15%. The second project is the Paradise Beach Resort, developed by a private company (check?). This project has sites for 4 hotels, of which one is under construction at Likupang, 42 km north of Manado and scheduled to open in 1994. This project is aimed at Japanese visitors and will have a golf course of international standard. Funds already committed to these projects are very substantial, as follows:

Manado Beach Hotel (MBH)	US\$20 million
MBH infrastructure	8.5
MBH marina	9
Paradise Beach Hotel	<u>30 Est.</u>
Total	US\$67.5 million

Investors are counting heavily on the beginning of the Silk Air flights and later, on expansion of the airport.

There are 26 travel agents presently operating in the province, and six were interviewed in the course of this study. Those interviewed cater mostly to foreign tourists on 4- or 5-day package tours. The total handled by these travel agents during 1993 will be around 8,000. A significant portion of these are elder Dutch and Japanese on nostalgia tours. Such tourists spend most of the time in the highlands and only half a day observing the coral reef from glass-bottom boats. Tourists also come from other European countries, the US, and Australia. A maximum of 20% of travel agent business is from divers.

Divers presently come from around the world, with Japan and Taiwan sending an increasing share. Typically, divers from the West spend 10-14 days at a diving center, whereas those from Asia spend 5-10 days. It is also common that after five days of diving, divers need a day or two on land, and many opt for visiting one of the two main forest attractions or climbing one of the volcanic peaks. Dive centers charge about US\$80-100 for a complete package including room, board, and diving.

A certain number of backpackers are seen in the town and at the homestays. However, given the cost of getting to Manado, they are likely to have higher budgets than normal budget tourists, spending perhaps \$30 a day as opposed to the normal \$10. Given the absence of extensive beach for cheap cottage development, North Sulawesi is unlikely to become a major destination for this segment of the market.

A noteworthy number of foreign visitors are dive tour operators and media professionals who have just discovered Manado and are planning to or in the process of promoting it. Two of these people had prepared, respectively, a coffee table book of underwater photographs taken in the park and a promotion video for the province, both of very high quality.

### 2.3 Projected Growth by Segment

It is hard to evaluate the prospects of the major resorts which are being planned for the coast around Bunaken National Park. There are several factors working against them. The beach is not up to international standard for beach resorts, nor are the settings particularly attractive since surrounding hills contain neither waterfalls and streams, lush forest or ordered plantations of tree or annual crops. The resorts are relying heavily on the booming popularity of golf among Asia's emerging middle class, but this boom is presently stalled by the recession in Japan and heavy over-building of courses in Thailand, Taiwan, and other parts of Indonesia. In the long term, the growing domestic middle class will

be a major source of demand for golf resorts in all these countries.

It may be that the high quality of the eco-tourist attractions in the province will draw up-market tourists, and these resorts will be the only alternative for many of them. As Japan emerges from recession and other Asian economies continue to expand, high-spending Asian tourists will constitute an increasing share of their market. In Bali, major up-market hotels offer a range of activities which could be called eco-tourism including cultural experiences, short diving trips, and nature hikes. Resort hotels near Manado will need to develop the same type of activity to attract and keep their guests, and there will be opportunities for smaller entrepreneurs and owner-operators to organize the type of attractions suggested in section 4.2.

Projections of likely development of various segments of the industry are reflected in Table 1. As in Bali, foreign tourism can be expected to grow rapidly for the first few years after the opening of Manado as a real international gateway and then level off. The 7% growth rate used in the table may be too conservative if the Asian economies continue to grow at present rates. If foreign and domestic tourism continued to grow at an average rate of 10%, the total of foreign and domestic tourists coming to Manado by 2010 could reach 300,000.

As the scale of tourism increases, the share of special interest tourists like divers tends to shrink and the share of middle-class holiday-makers increase. In North Sulawesi, the scope for an increase in divers is still great, so the projections show relatively constant shares for diving vs package tours for the foreign market.

As North Sulawesi matures as a tourist destination, the average length of stay is also likely to approach the international norm. Average daily expenditure should also increase substantially, both for the increasingly well-to-do domestic tourists and foreign. It is interesting to note in Table 2 the considerably higher amounts that Asian tourists spend per day compared to Europeans.

If tourism grows as projected, the total number of rooms available will be about 2,500 in 1999 and 4,800 in 2010. This is assuming 60% occupancy, sometimes considered a break-even point for standard hotels. In practice, occupancy rates during the current decade may be lower and the number of available rooms higher, as investors seek to establish hotels before the expected boom. During the second, "mature" period, average occupancy rates should be higher and the number of rooms may be less than 4,800. (Occupancy rate in Bali was 72% in 1989.) The distribution of these rooms among the various classes is likely to change in favor of resort and tourist hotels. Table 1 assumes their share will grow from 28% at present to 60% by 2010.

## 2.4 Major Tourist Attractions

**The Marine Park.** Bunaken National Park covers an area of 90,000 hectares, most of which is sea, except for five small islands and an area of fringing reef on the mainland. The coral reefs are mostly fringing reefs, dropping almost vertically to depths of 50 meters around the islands. Since the reefs are located at the juncture of two major ecological zones, perhaps their major feature from the divers' point of view is the bio-diversity. Despite its proximity to a city of 300,000 people, visibility is excellent due to a deep trench which apparently flushes urban pollutants away from the park. There are an estimated 20 dive sites in the park, and at present there is no over-crowding by divers even during the peak season of July and August. Non-divers can enjoy snorkeling and viewing the coral at the reef's edge from glass-bottom boats. The chance to snorkel on the edge of a sheer reef which is only a 3-minute swim from the beach cannot be possible in too many places in the world.

The traditional life style of the residents on the islands varies from one island to another and there is much to interest the foreign visitor, if it is presented properly. (See section 4.2 for proposed tour ideas.)

**Tangkoko Forest Reserve.** Two forest parks are of high potential interest to tourists. Tangkoko forest reserve, less than two hours from Manado, offers visitors a glimpse of two fascinating species of primates. Although the forest is not a lush, dense rainforest, the site has high potential for increased tourism and is described in detail in section 4.2.

**Dumoga Bone National Park.** The second forest area, Dumoga Bone, is a national park located 260 km from Manado and covers a large area of 300,000 (?) ha., encompassing a variety of wildlife, dense forests, streams, hot springs and waterfalls. Gold-mining in the park by rival groups has created some insecurity, but travel agents still bring tourists to see the mining. The consultant did not visit this site but suspects there is high tourism potential.

**Volcanic peaks.** There are several peaks which may be climbed, including Manado Tua in the park (800 m.), Mount Klabat (2,000 m.), the highest in North Sulawesi, Tangkoko, and Mount Mahawu (1300 m.). Mount Lokon used to be a nice climb until it erupted in 1990, killing several people, including one tourist. While these may be good climbs, it must be remembered that the greatest demand on the part of eco-tourists is for "soft adventure," and only a small percentage of visitors will undertake such strenuous activities.

**Highlands of Tomohon and Lake Tondano.** An hour's drive from the capital is the highland of Tomohon, known for its temperate climate flowers which are displayed in nurseries on the main street. Close by is Lake Tondano, which is the main water supply for the city.

Compared to other highlands in Indonesia, the area does not have much to offer, but it is a pleasant day trip included in most package tours. At the peak of the area is a village called Rurukan, which with its dramatic viewpoint, attractive spring-fed vegetable gardens, and still pristine hot spring, may have the most development potential in the highlands. Rurukan is described in more detail in section 4.2.

**Sangir-Talaud Islands.** These islands, located off the northern tip of Sulawesi near the Philippines can only be reached by overnight boat ride. They are reputed to have the finest white sand beaches in the province and are surrounded by superb reefs for diving. They are presently visited only by live-aboard diving boats. In future, there may be flights to an airport in the islands. The consultant was unable to visit the area, but pictures and descriptions indicate that an air connection would open up possibilities for top class beach resort and diving facilities.

**Waruga stone graves.** A park containing over 100 ancient stone graves of the Minahasa is an interesting part of a day-trip out of Manado. The sarcophagi date from the Megalithic period and contain interesting engravings of daily life in those ancient times.

**Japanese memorial.** There are several sites of World War II significance, including graves of soldiers who died in the war, and these are of interest to elder Japanese tourists.

Numerous other attractions are described in the comprehensive Visitor's Guide prepared for the province. Some of these are of greater interest to local tourists. Others could be upgraded to attract foreign and wealthy Indonesia tourists. Nevertheless the major attractions in North Sulawesi are its coral reefs and forests which, if preserved and properly packaged for eco-tourism, provide the basis for a tourism boom.

### 3. PRESENT AND POTENTIAL IMPACT ON NATURAL RESOURCES

#### 3.1 Present Environmental Problems in the Park

NRM advisors have prepared a draft plan for the long-term management of Bunaken National Park. This draft sites the following "major threats...that are causing or will cause serious long-term damage to the habitats of the park that represent its primary assets:

- cutting of mangrove forest throughout the park, but especially on P. Mantehage (P. for pulau means island);
- coral mining for building and roads both in and outside the national park;
- cutting of protection forest on Manado Tua mountain for conversion to agriculture;
- agriculture on steep slopes causing serious soil erosion;
- damaging methods for harvesting marine products including fish traps, scare nets, and some poison and bombing;
- over-exploitation of marine stocks."

Clearly damage to the environment is presently caused more by the local population than by tourists. In fact, divers and other nature tourists tend to be highly environmentally conscious and complain of fish bombing and other obvious degradation by the local population.

#### 3.2 Projected Tourism and Future Impact

In future, however, when the number of tourists is likely to be multiplied by five or ten times, tourism itself could threaten the park. The main damage from the tourist's point of view is over-crowding. Tourists come to enjoy the romance of being alone, or almost alone, with nature, and uncontrolled increase in the number of resorts, restaurants, shops, and peddlers can ruin the atmosphere for them as well as damaging the ecosystem. Damage to the ecosystem occurs when unknowing tourists step on and break coral and pollute the site with garbage. Boat anchors damage the coral. Roads and too many tourists in forest areas disturb the migratory patterns of the animals.

According to the projections in Table 1, by 1999 there will be 15,000 divers, another 32,000 foreign tourists, and 52,000 domestic tourists coming to North Sulawesi for an average stay of 5-10 days. Of the non-divers, one may assume 80% will visit the park for

snorkeling, glass-bottom boating, touring the islands, and relaxing on the beach. Assuming an average of 1.5 visits each, there will be 100,000 visits during a year. This would mean an average of 276 per day, and easily twice that number during the peak season of July and August. According to projections here, this number will at least double over the subsequent decade. Day-trippers are often ignorant of conservation needs and the boats and guides bringing them similarly careless. The first impact from this likely invasion is that the divers will flee. Second, without preventive measures, one can predict serious damage to the most frequently visited sites within the park, such as Liang beach.

### 3.3 Sustainable (beneficial) development

Measures to reduce the predictable damage are included in the following recommendations (section 4.1). They include raising entrance fees, which not only discourages some visitors but also gives them a greater respect for the site and its value. Another measure is to prohibit touristic use of substantial areas, for example 40% of the waters. It is also suggested that by actively promoting North Sulawesi as an eco-tourist, rather than a general holiday destination, environmental awareness can be incorporated into promotional messages and brochures from the start. Since industry leaders and particularly travel writers are seriously concerned, this may result in increased popularity of the destination, but it should also net tourists who have above-average concern for conservation.

## 4. RECOMMENDATIONS

### 4.1. Adopt a strategy of low volume high value use of protected areas

Eco-tourism facilities can be created at varying standards and cost to the tourist, similar to the five-star categorization of hotels now universally accepted in the travel industry. At the bottom of the scale are the backpackers, who could be classified as eco-tourists. At the top are places like Tiger Tops in Nepal, where tourists pay \$250 per day for safari style facilities and guaranteed wildlife-viewing. Controlling the number of visitors will, as demand increases, naturally lead to more up-scale tourism and higher prices. A determination must be made of the carrying capacity of the natural resources which are tourist attractions. As this limit is approached, tourists will naturally disperse to other sites such as the islands of Sangir Talaud. In the long run, this policy has several clear benefits. It protects the natural resource, establishes a very positive international image, maximizes sustained tourism revenue for the province over the long term, and disperses this revenue to a larger number of people and locations.

A previous study (RTI, Environmental Planning For Manado and Minahasa, 1992) estimated the carrying capacity of the park for divers at 30,000 divers per year diving 4.5 days per person. They assumed 20 dive sites and 18 divers at one site at one time. Two primate researchers at Tangkoko nature reserve, another site with high potential for tourism, estimate the carrying capacity there at 25 visitors per day. These figures leave considerable scope for increase from the present volume.

One approach in implementing the low volume/high value strategy would be to prohibit recreational and other activities in 30-40% of the marine park. If this were done, the carrying capacity and the above benefits, would be reached sooner and the remainder of the area would be preserved and regenerated.

### 4.2. Prepare a master plan for tourism development in the province and the park

To regulate industry growth, the province and the park urgently need a master plan for eco-tourism development. Construction of facilities is already occurring without control, and if tourism "takes off" before control measures are in place, it will be much more difficult to achieve quality and high value. Existing structure should be modified, if necessary, so that they are ecologically sound. Any additional construction should follow the same stringent standards, and should in any case be considered carefully to ensure that any development efforts do not conflict with the fundamental conservation objectives of the park.

A comprehensive master plan of all tourist development in the province is not what is meant here. The local Government has prepared such plans, identifying priority locations for development. What is needed now are specific measures to raise the quality of future development. It is therefore recommended that foreign aid funding be sought to hire an international team of tourism planners. Most important would be an architect/planner to:

- establish an architectural theme, and standards/specifications for each class of accommodation for the province as a whole;
- prepare a physical plan and designs for development in the marine park, including cottages (rebuilt homestays; see 4.4 below), service pavilions, and trails;

There should also be:

- an advertising professional to create a promotional theme and materials;
- a tourism marketing expert to prepare a marketing plan and initiate international marketing of North Sulawesi as an eco-tourism destination;
- an institutional specialist to establish the joint public-private sector arrangement for managing park revenues and planning, promoting, and regulating tourism development.

Such a master plan, with high quality sketches and presentation, can be a big incentive for foreign investors.

#### 4.3. Park residents should receive some of the benefits of the eco-tourism business.

The more local people have a stake in the eco-tourism business in the park, the more they will have a stake in conservation. Most of the existing "homestays" on Bunaken and Siladen are owned by park residents, although some of these also have residences in Manado town. Their continuation provides income to people who have a long-term interest in conservation.

Section 5.1 is a proposal for a 2 day/1 night tour in which islanders on all four islands participate and earn some income. The tour requires that simple pavilions be built where meals can be prepared, drinks sold, and toilet facilities used. These pavilions can be offered as concessions to villagers with sufficient management skills to operate them and offer services up to the required standard. The tour also includes demonstrations of diving, traditional fishing methods, and night fishing - all of which would provide income to the performers.

It may be possible to develop local handicrafts of interest to tourists. Villagers in Nain earn income making furniture from mangrove wood and they also produce unusual hanging lamps and other objects out of small polished shells. At present, however, the quality and design of these products render them of little interest.

Looking at the income projections in Table 1, it will be seen that if these recommendations are implemented in ten years from now, gross income of park residents from tourism may exceed income from traditional sources, and this should strengthen the constituency for conservation. The local communities will have a considerably higher potential to realize these benefits if they are provided with information and training in eco-tourism tailored to their needs.

4.4 Construction of additional tourist facilities in the park should be halted until acceptance of the proposed master plan. The existing cottages ("homestays") on Bunaken should be moved back from the beach and re-built according to the master plan and new building specifications.

Strictly speaking these are not homestays since they were built expressly for tourists. As they illegally occupy public land on the beach, they must be compelled to move.

The issue of the homestays has received considerable attention in Manado, particularly when a few outsiders obtained permission to build more substantial cottage complexes on the island. All these cottages should be rebuilt on private land away from the shoreline according to a higher standard. Some form of financial assistance could be considered, either compensation or loan financing. The amount requested by each owner is only about 1 million rupiah. Moving and up-grading would be in everyone's best interest, especially the homestay owner, who could charge higher prices. There should be no need to sell these accommodations, from which snorkelers can swim in two minutes to one of the world's more spectacular coral reefs, at backpacker prices. Most of the tourists who visit Manado have already paid the very high plane fare to get there and will happily pay a mid-market rate if the facilities and food are of a reasonable standard.

In the longer term, it is recommended that overnight cottages be restricted to two or three sites in the park, with some provision for modest expansion in the number of rooms over the years.

4.5 Push for quality, and raise prices.

At present, some of the facilities in the province are noticeably under-priced. This is particularly true of the homestays at Bunaken and Tangkoko, which charge 15,000 Rp for overnight

accommodation and three meals, and might also be applied to the diving. Given the quality of the natural attractions in the province, tourist rates and revenue could be raised if the tourist facilities met the requirements of mid- and up-market international tourists. Architecture, image creation, promotional materials, management, staff training, and food should all gradually be raised to international standard. The safety of the diving operations is also watched by the international diving community.

Architecturally, there is a natural evolution of new tourist destinations in places of natural beauty, which occurs with or without government intervention. Typically, the backpacker huts last for about three years, to be replaced by cottages with built-in bathrooms, which eventually evolve into two types of up-market resorts - low density individual cottages and low-rise or sometimes high-rise beach hotels. Without regulation, the density, height, architectural diversity and commercial activity generally increase to a point at which both the quality of the site and the total income fall, as in the above description of Pattaya. With regulation and proper standards, the natural evolution into an up-market destination can be accelerated and the final result will be a shoreline where all the buildings harmonize with each other and with the natural environment. This type of environment will attract quality resort investors and capture increasingly higher room rates as the demand increases. Bali is doing a good job in this regard.

Another aspect of quality often overlooked, particularly by inexperienced tourist businesses is the need to adapt all products to the tastes of the guests. Although tourists come to experience new foods and culture, they will be happier if, among other things, the food tastes good to them, the bathrooms are airy and clean, the cottages provide the best views and most breeze. Waste management efforts to improve hygiene and sanitation for residents and visitors alike should therefore be implemented. There are also little things which the local may think is ordinary but the tourists finds delightful. One example seen in the park was the bucket, made of tender fan palm leaf, with which the villagers of Nain draw water from their well.

4.6. In charging park admission fees to tourists and permit fees to tour business, charge what the market will bear.

Examples from other world diving destinations indicate that foreign visitors to eco-tourism sites will pay an entrance fee of up to US\$10 per day, but the present Forestry regulations limit the fee to Rp 2,000. Official use fees in national parks are stipulated in "Regulations on Tax and Entry Fees in Nature Tourism," Dirjen of Forest Protection & Conservation, 1992, as follows:

Visitors entry fee	2,000 Rp
Boat up to 40 HP	2,000
Boat 40-80 HP	4,000
Boat 80HP or more	10,000
Visitors to recreational forest	750

Some uses for the funds. Revenue is needed to cover the inevitable shortage of government budget for operating patrol boats. The current draft of the management provides for a total of 76 staff, including about 40 guards to patrol the park. Four guard posts on the islands and 3 patrol boats are planned. One patrol voyage can cost up to US\$40, and experience has shown that the official operating budget is rarely adequate, with the result that little patrolling can be done. Funds are also needed for promoting and organizing tourist activities, including those in which islanders participate, and for construction and maintenance of basic infrastructure for eco-tours, such as trails, rest spots, pavilions, and toilets. (See 5.1, Four Islands Tour.)

There is a park headquarters building at Molas where the diving centers are presently located and a ticket kiosk in a central location on Bunaken island.

It is recommended that an appropriate fee for foreign users at this time would be US\$10 for a laminated pass good for up to one week's use of the park.

The difficult question is what organization can collect and disburse the funds.

One solution is to change the Forestry regulations allowing more flexibility in the rate structure at different protected areas. Differing rates for foreign and local visitors should be permissible.

A second alternative is to establish an Eco-tourism Promotion Board or Protected Areas Conservation Fund, to be administered by a committee of representatives from concerned government agencies and the local travel industry.

A third alternative, already provided for in Law No. 5 Concerning Conservation of Living Resources, is to give a concession to a private corporation. If the shareholders and Directors of such an enterprise represented those who have a long-term interest in tourism and conservation in the park, such an arrangement might be satisfactory. For example, shareholders could include all major dive operators, park residents, and other members of the travel industry, but the by-laws could require that a few key Government offices are represented on the Board of Directors.

#### 4.7. Establish Links with Eco-tour Operators

Tourism planning and development should be market-driven. The best way to study the market is to establish links with foreign eco-tour operators. In developing new and existing marine and forest destinations and activities, the foreign eco-tour operators can provide most of the answers. They know the precise requirements of the clients (such as what level of accommodations, type of food, standard of guide service, and design of the tour program). More important, if these requirements are met, they can provide a steady stream of clients. They can help train staff. And they generally have very strict environmental standards. The first step in the tourism planning exercise recommended in 4.2 above should be a familiarization tour for about 10 mostly foreign eco-tour operators to see the attractions and give their recommendations for development.

## 5. SOME IDEAS FOR ECO-TOURIST ATTRACTIONS

During a two-week survey of some of the more accessible tourist attractions in the province, the consultant identified several potential developments. All are small projects, and three of them provide opportunities for local communities to participate.

Since the objective of eco-tourist activities is to enable tourists to experience traditional culture and nature without disturbing the native ecology, they must be designed for small numbers. Since they require careful planning and high standards of quality, they are highly management-intensive. They are also below the scale generally considered feasible in the hotel industry, which believes that there is a critical minimum cost of management and marketing which can only be supported by a hotel with 40 or 60 rooms. For these reason, large-scale investors in the currently booming Asian economies are generally not interested in investing their time and money in eco-tourism.

Instead eco-tourist developments generally must be **owner-operated** and are more likely to attract enthusiasts or middle class businessmen who will devote themselves, and often their families, to the projects.

At the same time, the large hotel and resort developers should support these activities since, as tourist arrivals increase, they will need more quality activities to attract and keep their guests. Divers also demand such attractions, since they typically want a day or two of land activities after 4-5 days' diving.

The following project ideas require more detailed study to determine their feasibility. Other areas not visited, such as Dumoga Bone National Park and the islands of Sangir-Talaud (which are reported to have the best beaches in the province), may offer further opportunities.

### 5.1 Four Islands Tour

The tour seeks to provide visitors with insights into the traditions of the islanders and the natural phenomena observable in the park. As with most nature tours, this trip should be limited to 6 persons per group. However, up to 3 groups can get together for meals and the evening festivities at the stilt village.

The following basic facilities will be required:

- a large sturdy stilt pavilion at Daseng stilt village;
- thatch-roofed pavilion on "little Nain" where lunch and cold

- drinks can be prepared and served, including toilet and fresh water storage facilities;
- An existing building or three adjacent houses might serve as the setting for lunch in Nain, but a convenient toilet will be need to be constructed;
  - one or two rest stops along the route up Manado Tua; also shade trees on the presently unshaded portions of the path. Villagers may object to tall trees which shade their fields, but papaya, banana, and other short trees could be suggested.

The sample itinerary presented in Annex 2 is based on a brief survey and is only meant to be suggestive. More detailed study of potential attractions and recruitment of specific villagers must be done before the final program is set. One would also anticipate an initial period of trial and error during which the tour can be refined. The order of events, for example, will have to be adapted to varying tidal regimes. A detailed costing must be worked out. An initial price of at least US\$50 per person is recommended.

## 5.2 Guest House at Tangkoko Nature Reserve

Tangkoko Nature Reserve offers a very special experience for tourists. The principal attractions are groups of two rare species of primates - tarsiers and black macaques. Because they are unafraid of humans, it can almost be guaranteed that visitors will see them on schedule. In addition, visitors see huge hollow strangler figs, several other species of wild animal, and an attractive black sand beach with unspoiled coral for snorkeling.

Over the 9 months, over 1,000 foreigners and 2,000 Indonesians visited the reserve. It would not be surprising to see a doubling of the number of foreign visitors for the next year or two. Presently visitors stay in one of three basic "homestays", paying US\$7 for a bed and three meals and \$5 for a guide. The income potential of the park by 1995 is considerable. With a higher quality of accommodation and service, visitors would willingly pay at least US\$50 for a one night two day visit, as compared to the current US\$12. Assuming 3,000 foreign visitors total income generated would be: US\$150,000. If 5% of this went to the park, a reasonable budget would be available for park management and maintenance, as opposed to the US\$1,300 likely to be collected this year from the low official entrance fee.

There is an opportunity for phased development of a guest house of 20 rooms over the next few years. This should be in a quiet location on the beach. (Villages are too noisy for tourists.) The guest house should be comprised of groups of cottages built in traditional style using natural materials and with the Bali-style bathrooms, open with views of the sea.

Cooperation between the park, an experienced operator, and the local population would best ensure a smooth operation with benefits for all who have a stake in protecting the ecology.

### 5.3 Farm Restaurant and Cottages at Rurukan

Of the various attractions of the highland area around Tomohon, Rurukan may have the most potential. Up the mountain from Tomohon, Rurukan has a spectacular lookout point, from which Lake Tondano, Mt. Klabat, Bitung and the sea are visible on clear days. Nothing has been developed here for tourism except a small building at the lookout. Rurukan is a village where vegetables are cultivated in narrow beds carved into the mountain and irrigated by diverting a natural stream to flow through the gardens. It could eventually be Manado's Ubud.

There is an opportunity here for a restaurant and cottages set in a shady spot among the gardens. Hot and cold water streams run through the area and could be dammed to create a spa and natural swimming pool. The restaurant, using fresh produce grown in the village, would be used by travel agents who regularly bring guests to the highlands on day-trips. Fruits grown here can be processed for sale as jam or juice, and the temperate from Tomohon can be sold. There would also be a demand for rooms for guests to spend a night or two in the cool, healthy environment. The resort should be planned for about 20 cottages in traditional style, with 10-12 rooms built in the first phase. Natural construction materials and a Bali-style partly open bathroom are favored by tourists. If the project is well-planned, rates of US\$50 per person per day, including meals, should be possible. Local people can serve as employees and also sell fresh and preserved produce.

### 5.4 Restaurant with Cultural Performances

As of now Manado offers little excitement in the culinary line, and there is a market for a good restaurant, serving local dishes carefully adapted to foreign taste, along with performances of traditional dance and song. The restaurant should be sited with a view of the bay and built in a traditional Sulawesi style out of wood and other natural materials, with seating capacity for about 100 persons. The menu should have some local dishes, but more important it must feature dishes which appeal to Western and Asian tourists. An international F&B consultant should be hired to design the menu and create some of the dishes. Suggested price: \$10-20.

**Annex 1: Consultant's TOR  
Eco-Tourism Development Specialist**

**I. Background**

Under the USAID-assisted Natural Resources Management (NRM) project, a team of advisors has been assigned to do work in the Bunaken National Park carrying out activities under the NRM Implementation Plan. This includes a Team Leader/Nature Conservation Advisor, a Marine Conservation Advisor and a Community Development Advisor.

As one of the recognized primary tourist attractions of North Sulawesi, eco-tourism is an integral function of the Bunaken National Park. Besides generating revenues for park management and local communities, eco-tourism has an important role in increasing public awareness of the values park ecosystems. The primary form of eco-tourism within the park is currently SCUBA diving and snorkeling. Other potential forms of eco-tourism such as visiting mangrove and forest (e.g. on Manado Tua) are largely under-developed.

A report by the Research Triangle Institute (1992) reviewed the potential environmental impacts of the growth of tourism based on projections from the local Tourism Authority for North Sulawesi. The report listed existing and projected tourist facilities and made some recommendations related to sighting of future developments. It did not however address issues such as revenue generation, or methods for involving local communities in eco-tourism development. Also, the Ministry of Forestry currently has no formal recommendations for the development of tourism in Bunaken National Park, and no projections on potential financial contributions to the management of the park.

A study is required to assess the existing and potential eco-tourism developments in Bunaken National Park including infrastructure and human resources, and make recommendations on which types and quantities of developments would bring optimum economic benefits for minimal environmental impact. The recommendations should be incorporated in the form of a long-term development plan for eco-tourism in Bunaken National Park. Special attention needs to be paid to involving park residents in the economic benefits that eco-tourism could bring.

Producing a long-term development plan will allow the Ministry of Forestry (PHPAs) to better coordinate with other government agencies with an interest in the tourism potential of the park. Besides the importance of this study for planning the management of Bunaken National Park, the study will have relevance at the national policy level, as many of the issues that it will address will recur at other conservation sites in Indonesia, especially those with a marine component.

## II. Objectives

- a. To review current and planned development of tourism in Bunaken National Park, with special emphasis on eco-tourism;
- b. To identify eco-tourism development that would be beneficial to the development of Bunaken National Park and local communities with minimal environmental impacts;
- c. To identify current and projected tourism development that could have serious deleterious effects on the ecosystems and/or local communities;
- d. To produce a plan for the development of the sustainable eco-tourism in Bunaken National Park, with particular reference to the inclusion of local communities.

## III. Tasks

- a. Visit the Bunaken National Park and environs to review existing eco-tourism attractions and infrastructure development;
- b. Review the available documentation relevant to tourism in North Sulawesi, especially local tourism planning. This will involve the recently completed NRM study on "Development of a Procedure for Evaluating the Potential of Nature-Based Tourism Development with Test Application in North Sulawesi";
- c. Identify potential new attractions within the park;
- d. Meet key government and private players in tourism planning and the tourism industry;
- e. Evaluate the economic benefits and drawbacks of different eco-tourism development options;
- f. Evaluate the environmental benefits and drawbacks of development eco-tourism development options;
- g. Prepare final report

## IV. Outputs

- a. A final report:
  1. A review of existing and planned tourism development in Bunaken National Park, including a basic economic analysis of net worth to North Sulawesi, concentrating on eco-tourism;

2. Recommendations for the further development of eco-tourism within Bunaken National Park, with specific recommendations on the inclusion of the local communities;
3. Recommendations on the processes by which revenues generated by eco-tourism within Bunaken National Park can be reinvested in management of the park;
4. Findings during the study pertaining to policy at the national level toward the development of eco-tourism within protected areas in Indonesia, particularly those with marine components.

b. Completed presentations to the Government of Indonesia counterparts in Manado and Jakarta.

V. Duration

Four weeks from late September 1993.

VI. Location

Jakarta, Manado and with field visits to Bunaken National Park.

VII. Reporting

The consultant will report to the NRM/ARD Chief of Party working on a daily basis in Manado with the NRM/ARD Team Leader/Nature Conservation Advisor in North Sulawesi.

VIII. Qualifications

The consultant should have the following skills and qualifications:

- a. A degree in economics or related field.
- b. Proven experience in the eco-tourism industry and its economics.
- c. Working knowledge of the tourism in Indonesia and/or SE Asia.
- d. Working knowledge of Bahasa Indonesia and English.

## Annex 2: Consultant's Time Table

### September

- 27 Meet Pak Hendriks, Forestry at Bogor  
Meet UNESCO marine scientist, Dr. Harger
- 28 Meet Deputy Res. Rep. responsible for UNDP environmental program  
Meet NRM consultants in Jakar
- 29 Fly to Manado  
Meet Pak Romon, chief SBKSDA
- 30 Visit Murex, dive operator

### October

- 01 Dive the reef and visit Bunaken tourist cottages with NRM  
Manado staff
- 02 Meet Sahid Hotel Sales Manager
- 03 See Manado Beach Hotel and survey the highlands of  
Tomohon and Lake Tondano
- 04 Meet dive operators Loky, Barracuda, Chief of Tourism  
Marketing, Manado Travel Agents
- 05 Visit Tangkoko rainforest
- 06 Tangkoko
- 07 Meetings with travel agents in Manado, o/n NDC, interview  
divers
- 08 Dive with NDC
- 09 Dive with NDC
- 10 Off
- 11 Visit owner Leng cottages, Kanwil Pariwisata, Murex Dive  
Center, foreign dive tour operators
- 12 Survey potential tourist attractions in park.  
Talk to village leaders, cottage owners  
O/N Siladen cottage
- 13 Climb Manado Tua

- 14 Meetings. Write report
- 15 Report-writing
- 16 Review-report with NRM Manado chief
- 17 Report-writing
- 18 Report-writing
- 19 Presentation to Manado officials; return to Jakarta

### Annex 3: List of People Contacted

- Wayan Djana, Marketing Manager of Manado Beach Hotel, Manado
- Wempi Punuh, SE., Ketua BAPPEDA Sulawesi Utara, Manado
- Drs. J. Saruan, Wakil Ketua BAPPEDA Sulawesi Utara, Manado.
- Capt. R.W. Billy Matindas, M.Sc., C.E.O. of Tarsius Headquarters, Manado.
- J.W. Poluan, President Director of P.T. Pola Pelita Express (Tours and Travel), Manado.
- Anwar Mantis, Director of Dian Sakatho (Tours and Travel), Manado.
- Jantje Polil, Director of PT. Indra Tours and Travel, Manado.
- Ir. Hendrik Siubelan, Ditjen PHPA, Bogor.
- Ir. Randolph C. Montolalu, Operational Manager of Baraccuda Diving Resort, Manado.
- Petrus Max Tene, President Director of PT. MTDC, Jakarta
- Agus manggata, kepala Bidang Pemasaran (Marketing Manager), Kanwil Depparpostel, Manado.
- Wayan Lasia, Kepala Dinas Pariwisata Sulawesi Utara, Manado.
- Sutanto, Asst. Sales Manager of Sahid Manado Hotel, Manado.
- Michael AW, Marine Photographer - NAUI, New South Wales, Australia.
- Douglas Hoffman, Under Water Video - PADI, Hawaii.
- Thomas W. Garsombke, Associate Professor of Business, University of Wisconsin, Wisconsin.
- Marie Spaey, Associate Expert for Culture, ROSTSEA/UNESCO, Jakarta.
- Dr. J. Harger, Programme Specialist (Marine Science, Environment), ROSTSEA/UNESCO, Jakarta.
- Mrs. Junus, Homestay owner, Tangkoko.
- Thaib, Kepala Kantor Resort PPA, Tangkoko.
- Kepala Desa Tangkasi, Mantehage Island, Bunaken National Park.

- Aladin, Shells handicraft maker, Nain Island
- Woodworker, Nain Island
- Martha, Homestay owner, Siladen Island
- Oom Boa, Homestay owner, Pantai Liang, Bunaken Island
- Nerwan, Farmer and guide, Manado Tua I, Manado Tua..

**Annex 4: Eco-Tourism Master Plan  
Draft Terms of Reference**

## Terms of Reference Architect/Planner

### I. Background

Under the USAID-assisted Natural Resources Management (NRM) project, a team of advisors has been assigned to do work in the Bunaken National Park carrying out activities under the NRM Implementation Plan. This includes a Team Leader/Nature Conservation Advisor, a Marine Conservation Advisor and a Community Development Advisor.

As one of the recognized primary tourist attractions of North Sulawesi, eco-tourism is an integral function of the Bunaken National Park. Besides generating revenues for park management and local communities, eco-tourism within the park is currently SCUBA diving and snorkeling. Other potential forms of eco-tourism such as visiting mangrove and forest (e.g. on Manado Tua) are largely under-developed.

There is general agreement that North Sulawesi is about to experience a significant increase in tourism. An eco-tourism specialist funded by NRM estimated a five-fold increase by the end of the decade and warned of the need for controls to ensure the quality of tourist developments and conservation of the marine and forest environments which provide the main attraction. Given that tourism cannot be stopped, it is recommended that the project and Government set guidelines and standards to influence that development towards high quality eco-tourism. A common architectural theme for all development would establish a salient and high quality image for the province in the world tourism market.

The eco-tourism study further recommended that in the marine park itself (1) the 40 rental rooms ("homestays") built illegally on the beach be upgraded and moved back from the shoreline; and (2) that the park organize a two-day/one night tour featuring the traditional life styles of the islanders.

As a basis for future development and control, there is a need for architectural guidelines and building specifications which the Government can use to regulate development. In carrying out the above recommendations for the marine park, cottage designs and plans for facilities for the proposed tour are required.

### II. Tasks

- a. review existing planning for tourism development and identify the highest potential sites and their optimum use for sustainable development;

- b. considering traditional traditions in the region, design an architectural concept for tourist accommodations in the province;
- c. prepare sketch plans and minimum specifications for at least 3 classes of accommodation. Plans for four- and five-star accommodations should include both building type and cottage type;
- d. package the above (a-c) in a folder or brochure for presentation to Government planners and private investors
- e. prepare a physical (site) plan and designs for simple structures in Bunaken National Park, including cottages (upgraded "homestays"), service pavilions, trails, etc.

III. Duration

3 man-months

IV. Location

Manado, with occasional consultations in Jakarta and visits to Bunaken and potential tourist sites in North Sulawesi

V. Qualifications

Architect or landscape architect with several years of experience in design of resorts of international standard in harmony with the natural environment and local architecture; should have knowledge of ecological and development issues and experience in tourism development in Southeast Asia

**Terms of Reference  
Eco-Tourism Marketing Specialist**

**I. Background**

Under the USAID-assisted Natural Resources Management (NRM) project, a team of advisors has been assigned to do work in the Bunaken National Park carrying out activities under the NRM Implementation Plan. This includes a Team Leader/Nature Conservation Advisor, a Marine Conservation Advisor and a Community Development Advisor.

As one of the recognized primary Tourist Attractions of North Sulawesi, eco-tourism is an integral function of the Bunaken National park. Besides generating revenues for park management and local communities, eco-tourism has an important role in increasing public awareness of the values of park ecosystems. The primary form of eco-tourism within the park is currently SCUBA diving and snorkeling. Other potential forms of eco-tourism such as visiting mangrove and forest (e.g. on Manado Tua) are largely underdeveloped.

There is general agreement that North Sulawesi is about to experience a significant increase in tourism. An eco-tourism specialist funded by NRM estimated a five-fold increase by the end of the decade and warned of the need for controls to ensure the quality of tourist developments and conservation of the marine and forest environments which provide the main attraction. Given that tourism cannot be stopped, it is recommended that the project and Government take the initiative in promoting the province as a destination for eco-tourism by carrying out a market study, designing promotional materials, and beginning to market the destination to eco-tour operators.

**II. Tasks**

- a. organize and host a familiarization tour for eco-tour operators, during which they would be asked for their suggestions for appropriate development;
- b. cooperate with an advertising firm or professional in creation of a promotional theme and quality promotional materials for eco-tourism in North Sulawesi;
- c. in cooperation with Manado travel industry personnel and local Government, initiate international marketing of North Sulawesi as a new destination for eco-tourism.

III. Duration

Three months

IV. Location

The marketing specialist may organize the familiarization tour from his own base and come to Jakarta and Manado for tasks b and c.

V. Qualifications

Extensive experience (approx. 10 years minimum) as a tourism marketing executive and consultant; some experience in diving, adventure, nature, and other specialty travel; previous work in Indonesia preferred.

## Annex 5: Sample Itinerary for Four Islands Tour

### FOUR ISLANDS TOUR (2 DAYS/1 NIGHT)

Everybody goes to Bunaken island, but the Bunaken National Park includes four others. Though situated close to each other, each island has its unique culture and traditional life style. The people are particularly respectful to guests and enjoy sharing their village life and traditions.

#### Day 1

9:00 am. Board boat for Siladen. Here fishermen will demonstrate various traditional fishing techniques, include "kite fishing" and you will see how, in this country of still abundant timber, they make their dug-out hulls out of single trees.

11:00 am. Board boat for Mantehage, which is completely surrounded by a forest of mangrove, the only tree which grows in sea water. The guide will give a short talk on the ecology of mangrove forests. From there it is a short trip to Nain. At the entrance to the village is the "magic well" - a freshwater well located right at the edge of the sea. Walk through this neat little village to see the manufacture of handicrafts. After lunch, enjoy a delicious coconut and spice desert made from agar, processed from seaweed cultivated around the island.

3:00 pm. Daseng stilt village, on one side of Mantehage, is the home of the a small group of Bajo (or sea gypsy) people who live in extreme simplicity and apparent harmony. Unencumbered by high tech equipment, they dive underwater for over five minutes at a time wearing snorkel masks hand-carved out of wood. After demonstrations of diving and traditional fishing methods, enjoy dinner and a feast of music played on hand-carved string instruments.

8:00 pm. Head for overnight cottages on Siladen. You may also accompany the fishermen in their tiny catamarans for an hour or two of night fishing.

#### Day 2.

7:00 am. Board boat for Manado Tua. The 800-meter high mountain surrounding the crater of an extinct volcano has beautiful humid rainforest in which black monkeys and other wildlife can be seen. A gentle climb half-way up the mountain takes you to a hidden valley for a walk through a rainforest dense with the long thorny palm from which rattan furniture is made.

11:30 am. Off of Nain is a little islet totally surrounded by fringing coral reef. Enjoy lunch, relax and swim off this tiny private paradise, before returning to the mainland.

## Annex 6: Assumptions and Worksheet for Key Figures

### Assumptions:

1. 20% of 1993 travel agent customers (total = 8,000) were divers
2. Average occupants per room assumed to be 1.7 (Bali resorts = 1.8)
3. An increasing proportion of divers will stay at resort hotels. After estimating expansion of dive centers and homestays, foreigners to stay 20% in melati, remainder in tourist class. Domestic tourists assumed to stay 50% in tourist class, 50% in melati.
4. Projection of available rooms based on tourist nights, assuming 60% occupancy rate and 1.7 bedroom rate. The actual total of rooms is likely to be higher due to over-building.
5. For purpose of calculation, assumes negligible no domestic tourists are divers.

### Worksheet for calculation of available rooms:

	1999	2010
	-----	-----
total rooms required, foreign	1,302	2,740
total rooms required, domestic	1,164	1,918
	-----	-----
<b>Total</b>	<b>2,467</b>	<b>4,658</b>
less dive centers	200	300
less "homestays"	80	100
<b>net</b>	<b>2,187</b>	<b>4,258</b>
<b>Of which:</b>		
resort/tourist hotels	1,424	2,851
melati	843	1,507
	-----	-----
<b>Total</b>	<b>2,467</b>	<b>4,658</b>

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