



**WWF**

**REPORT**

**JANUARY  
2017**

PRODUCED IN  
COLLABORATION  
WITH



# INVESTMENT OPPORTUNITIES FOR SUSTAINABLE NATURE-BASED TOURISM IN THE CORAL TRIANGLE

A report on the ADB-WWF session at Green Business Forum

# **ADB-WWF SESSION ON NATURE-BASED TOURISM IN THE CORAL TRIANGLE**

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**January 2017**

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## LIST OF ACRONYMS

<b>ADB</b>	Asian Development Bank
<b>APEC</b>	Asia-Pacific Economic Cooperation
<b>CEO</b>	Chief Executive Officer
<b>CT</b>	Coral Triangle
<b>CTI-CFF</b>	Coral Triangle Initiative on Coral reefs, Fisheries and Food security
<b>FNPF</b>	Fiji National Provident Fund
<b>GBF</b>	Green Business Forum
<b>LMMA</b> s	Locally Managed Marine Areas
<b>MPAs</b>	Marine Protected Areas
<b>PAUS</b>	Urban Social Development and Public Management Division
<b>PNG</b>	Papua New Guinea
<b>SI</b>	Solomon Island
<b>TL</b>	Timor-Leste
<b>UK</b>	United Kingdom
<b>WWF</b>	World Wide Fund for Nature

## 1.0 INTRODUCTION

### 1.1 BACKGROUND

From November 22-24 2016 in Manila, the Asian Development Bank (ADB) organized the first Green Business Forum (GBF) for Asia and the Pacific with the aim to bring together experts, business practitioners, and key stakeholders to share knowledge and identify avenues for promoting green business solutions in the region.

Throughout two-days, hundreds of participants brought innovations and lessons from around the region illustrating progress in green growth particularly in tackling problems such as pollution, natural resources degradation and biodiversity loss. The GBF was organized around three key sessions: Creating Enabling Policy and Regulatory Frameworks for Green Business, Mobilizing Private Sector Finance, and Green Technology and Business Innovation. The event also hosted a special plenary session and award ceremony on youth and green business linked to ADBs' Youth for Asia Initiative, launched in 2013 to support young people in contributing effectively to development<sup>1</sup>.

As part of the GBF program, on Thursday November 24, WWF's Coral Triangle Programme and the ADB Coral Triangle program organized a panel session dedicated to discussing investment opportunities in Nature-Based Tourism development in the region with a focus on marine related tourism destinations in Timor-Leste, Papua New Guinea, and the Solomon Islands. This was preceded by a lunch session engaging a wider selection of Pacific Island Countries representatives to exchange lessons on the opportunities for high-end eco-tourism development.

### 1.2 NATURE-BASED TOURISM

In recent years, tourism related coastal developments have been increasing rapidly across the region, particularly in areas of high conservation value that are appealing to the growing nature-based visitor sector, culturally-focused tourism sector, and dive-related tourists. This is due to many factors, including increased accessibility of some areas, due to associated airport or shipping related infrastructure developments; and the demographic growth of financially-able domestic and international travelers. However, rapid and poorly planned coastal development is putting pressure on available resources and polluting coastal ecosystems. The very developments that are being established to entice visitors oftentimes can damage the very resources the visitors are coming to see.

Nevertheless, examples do exist of low-impact, low-volume, sustainable, high-value or high-profile nature-based tourism in the Coral Triangle however. These range from small-scale local enterprises catering to the backpacker market, to high-end eco-lodge, cruise and live aboard operations. The low-end local enterprises tend to serve a small, not well organized market of backpackers and more adventurous travelers that go to great lengths to visit remote areas where nature and wild life are relatively untouched. Some of these enterprises are initiated by local communities or engage local communities throughout the enterprise. Conversely, the higher-end operations existing in the region have generally been developed with international investment, establishing their brand through marketing the unique high value nature and community related experience for elite travelers.

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<sup>1</sup> ADB Youth for Asia connects with various ADB departments to formally involve youth in different stages of project development and is currently involved in 23 projects across 11 sectors [www.youthforasia.com](http://www.youthforasia.com).

There is an important opportunity to consider how such low-volume, high-value enterprises can be supported and encouraged, to contribute to improved stewardship over marine and coastal ecosystems, support local livelihoods, and contribute to a growing understanding of the importance for governments and private sector to invest in protecting the natural capital of the region.

## 2.0 THE LUNCHEON DISCUSSION

The luncheon discussion focused on sharing examples from the Cook Islands and Fiji on how to develop conditions for sustainable high-end ecotourism in the Pacific. Mr. James Lynch, Deputy Director General of the Pacific Regional Department, provided opening remarks and welcomed participants from the Federated States of Micronesia, Timor-Leste, the Solomon Islands, Tuvalu, Papua New Guinea, Samoa, the Cook Islands, Palau, and the Marshall Islands. These Pacific Islands seek to develop tourism standards, but they are often challenging to achieve. The meeting sought to provide space for Pacific country representatives to the GBF to connect and learn from one another's experiences. The ADB's new Pacific Approach paper identified three pillars to guide its operation to support member countries through: reducing costs of doing business and providing services in the Pacific, managing risks from economic shocks, natural disasters, and climate change, and promoting the creation of value-added goods that can support growth.

Norio Usui and Andrew Parker of the Urban Social Development and Public Management Division (PAUS), ADB's Pacific Regional Department (PARD), framed the discussions for more than 20 participants and introduced two success stories, providing linkages between economic growth and sustainable development. They outlined the big picture for tourism development in the Pacific. Noting that in order to sustain growth, Small Pacific Island economies will have to overcome geographic constraints, for example in the agriculture and fisheries sector, due to the limited size of productive lands and territorial waters.

"Creating value" particularly by developing high-end eco-tourism is considered an important development opportunity for the Pacific Island region. In support of this, the rich cultures, pristine nature, and healthy ecology of the Pacific Islands provide great assets, but public investments are needed in infrastructure and to enable private sector by providing an attractive business and investment climate with positive outlooks on the return on private investments. The ADB supports governments to invest on infrastructure and tax reforms, but to move to high-end eco-tourism, the private sector needs facilitation of tax issues and related investment finance regulations must be clear.

Some constraints facing the Pacific Island countries include their small size, remoteness, and other island destinations in the region already have strong tourism. Also, even when government provides more enabling conditions for high-end eco-tourism, benefits are not automatically widely shared through all layers of the Pacific Island society. Currently, local workers lack the skills and attitude to deliver high-end tourism. Local young workers continue to migrate elsewhere in search of better job opportunities. The current situation, for example, illustrates how there are too few employment opportunities for local workers, as they lack the skills and attitude expected for high-end product offering. Especially younger local workers continue to emigrate from Pacific Island countries. Cost of travel to and within the region are high and products and services that can adsorb high labor and transportation costs are virtually non-existent.

Hence, currently the links between tourism and domestic economies are still weak, and even when the ambitions may exist, jumping into high-end ecotourism is hampered by a chicken-and-egg

problem: Why should investment create inputs for tourism that does not exist; and how can tourism exist if the inputs are not there?

The first success story is the tale of the Cook Islands, presented by Mr. Metua Vaiimene, Director of Destinations Development of the Cook Islands Tourism Board and the second success story is the tale of Fiji, presented by Mr. Suliano Ramano, Manager for Equity Investments of the Fiji National Provident Fund.

The Cook Islands is on the Top 3 in terms of successful tourism development, after Palau and Fiji. Mr. Vaiimene shared how the Cook Islands tourism development model was founded on the “Kia Orana” (health or long life) values. The Cook Islands destination development strategy supports destination and product development following the Kia Orana values, and supports, where needed, destination management, advocacy, and diversified marketing<sup>2</sup>. ‘Kia Orana’ means that the tourism industry should provide people with means to have long and fulfilling lives. Another core value is “Meitaki” which means good. This is how the tourism industry should engage with visitors.

Importantly, the “research-scape”, where the tourism industry based its position, is centered on consumer perceptions. Tourists arrival and expenditure data is used to further develop direction of investment. For instance, the data was used to help advocate for further investment to support improved accessibility to the Cook Islands. They will soon start a community perception survey to gauge how communities benefit from the tourism industry and identify potential issues.

Since 2010, the Cook Islands have had an airline investment strategy where the government underwrites weekly flights from Sydney and Miami with Air New Zealand. They will soon extend the program to other airlines. If the airlines make a profit, the government shares in the profit, but if the airlines are at a loss, the government covers part of the losses. The airline investment strategy is the largest item in the national budget and is therefore carefully monitored and evaluated.

The Cook Islands Tourism brand “Love a Little Paradise” was launched in 2015 and the promotion board aims to keep it for many years to be consistent with the image of how people can escape from their daily lives to enjoy a little of paradise in the Cook Islands. The tourism promotion board requires that outside investments to the Cook Islands must fit with the core values, and nurturing the environment is the first of the core values.

In October 2016, they have set and launched sustainable tourism goals with benchmarks and Key Performance Indicators in areas of Governance, Culture, Human Resources, Environment, Yield, Marketing and Development, and Health, Safety and Security. While this sets them up well for the future, they also have some serious challenges such as shortage in human resources and they also have real stressors on the environment. For example, some of the high-density tourism areas have been invaded by algae. Also, challenges between short-term gains and long-term benefits exist. This is important to address because the Cook Islands economy is almost entirely reliant on the tourism sector, which is risky. A vibrant sustainable economy relies on a diverse combination of activities and sectors.

For the second success story, Mr. Ramano presented the Fiji National Provident Fund (FNPF) pension fund, which was established 50 years ago<sup>3</sup>. In 1966, the fund started with a USD10,000

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<sup>2</sup> <http://www.lovealittleparadise.com/>

<sup>3</sup> <http://www.myfnpf.com.fj/>

government grant and now they are a USD5.13 billion institution which is about 32% of Fiji's financial system. The fund invests in tourism and Mr. Ramano likes to share two stories of failure and success. Both examples are in large properties; they don't neglect small boutique hotels, but there are many private investors in Fiji who pick up that investment market. Their tourism portfolio is about 10% of the USD5 billion, invested in major hotel chains such as the Holiday Inn, the Inter-continental and the Grand Pacific, which they own 100%. They also own the Marriott property which is opening in April 2017. Marriott is now the largest hotel operator in the world after they bought Starwood.

They work closely with the government, which gets good tax revenue, forex earnings, and employment creation benefits, so the government provides concessions for duty free, for example. There are also benefits to the transport sector, timber for construction, and smaller activities are trickling down to the grassroots level for communities such as making of handicrafts, babysitting, and cultural entertainment among others.

However, one of the projects failed. 271 hotel rooms were completed in 2009, but the budget was higher than industry standards and financial implications were immediately negative after opening. The opening was also during the global financial crisis. Tourists arrivals were down and especially the traditional markets of Australia and New Zealand slowed with the economic downturns in those countries. Currently, the hotel is still running at USD200 million in the negative. The most important lesson from this experience include not stepping in as project managers with no experience, and relying on engineers can lead to huge overrun on construction costs.

The Marriott property is one of the most successful projects. The operation had an opening delay but the project will soon be ready and may finish below budget. Here, they want to pursue green energy solutions to improve efficiencies. In Fiji, 55% of the electricity is generated from thermal (oil) and 45% from hydro, and there is massive scope given the average economic growth over the past 5 years, which is expected to continue. Tourism is the key driver to Fiji's Gross Domestic Product at 25% and it is still growing. Boutique hotel operators have begun to implement green solutions and green business options also exist in other sectors not only tourism.

After the examples from Cook Islands and Fiji, the participants raised questions and identified ways for improved interaction between each other, considering opportunities to share and improve tourism visitation in the region by improving inter-island connectivity. Also, the concern that tourism should be developed with resilience in mind, particularly when the sector forms such a large part of many countries' productivity and when climate change impacts will become more severe. One of the main outcomes was an agreement to continue and share good examples while considering the bottom line of who benefits in the long term through sustainable tourism.

### **3.0 THE PANEL SESSION**

The session was opened and the more than 50 participants were welcomed by Director Olly Norojono of the Division for Transport, Energy and Natural Resources in the ADB Pacific department. He reflected on the importance of regional collaboration for sustainable use and conservation of marine resources in view of the impacts of climate change on people and their livelihoods.

Following Director Norojono, the CEO of WWF Philippines, Mr. Jose Palma, provided the keynote speech (Figure 1). He reflected on the important progress made by the Coral Triangle Initiative on Coral Reefs, Fisheries and Food Security (CTI-CFF) on regional collaboration for the creation of new Marine Protected Areas (MPAs) and Locally Managed Marine Areas (LMMAs) and for enhancing their

effective management in support of biodiversity conservation and sustainable fisheries. He posed that particularly tourism could be a supportive sector if proper management structures are in place and multi-stakeholders understand the potential attraction and economic value of healthy marine ecosystems and wildlife populations. He presented the experience of Tubbataha National Park, where tourism entrance fees from scuba divers and snorkelers, are supporting 60-70% of the costs for the year-around program of research and enforcement by a team of well-trained committed park rangers, keeping the reefs and related fish populations in great health already for 25 years.

**Figure 1: Keynote Speech by Mr. Palma, CEO, WWF Philippines**



Mr. Palma introduced the *Developing and Promoting Sustainable Nature Based Tourism in the Coral Triangle* project, which is a two-year initiative implemented by WWF through funding from the Australian Government. It aims to assist the six countries of the CTI-CFF<sup>4</sup> in regional collaboration for acceleration of achievements of regional and national marine conservation goals. This project aims to:

- § Build support for protecting CT natural and cultural assets;
- § Enhance the value of tourism to local, regional and national economies in the CT region;
- § Increase the role of MPAs in those economies and local communities; and
- § Promote world class, high-quality visitor experiences.

To kick off the interactive session with the audience, introductions to tourism development visions were provided by government representatives of Timor-Leste, Papua New Guinea, and Solomon

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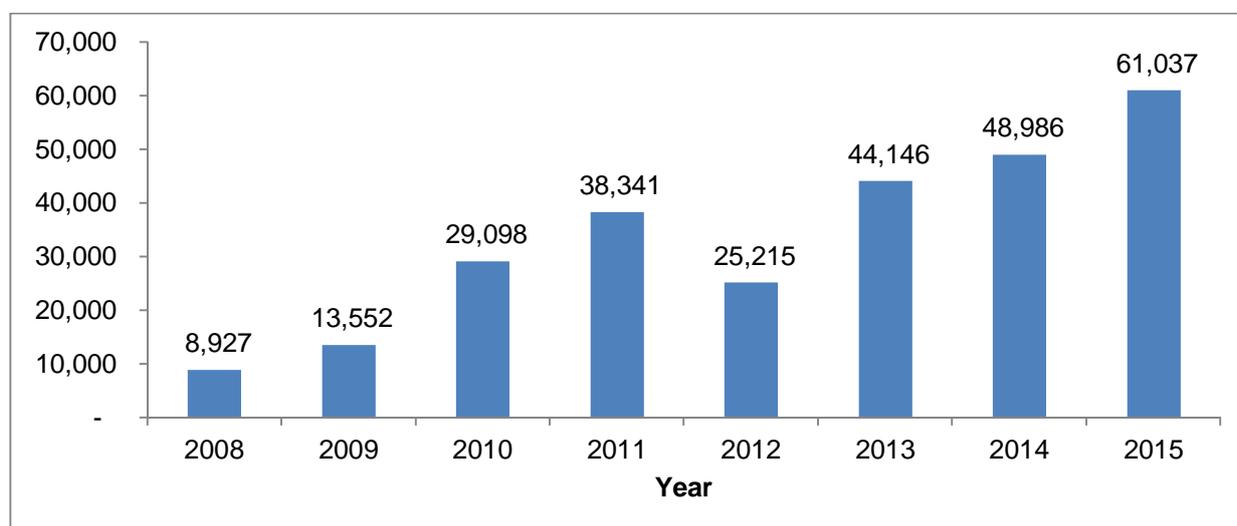
<sup>4</sup> <http://coraltriangleinitiative.org/>

Islands and an exchange of knowledge on requirements and conditions important for public and private finance by experts of the ADB.

Mr. Jose Quintas, National Director for Tourism Marketing and International Relations introduced Timor-Leste's tourism vision as "a dynamic, competitive and profitable industry, which makes a vital and increasing contribution to sustainable economic, socio-cultural, and environmental growth". Timor-Leste's strategic development plan for 2011-2030 identifies tourism as an important sector amongst petroleum, agriculture, fisheries, and manufacturing. For a relatively young nation of 1.17 million inhabitants who gained independence in 2002, international visitor arrivals have grown significantly in the past eight years from less than 10,000 to more than 60,000 annually (Figure 2).

Importantly, the government of Timor-Leste has taken some significant conservation steps in support of sustainable tourism and has established the First National Park: *Nino Konis Santana*, 15 Terrestrial Protected Areas and 5 MPAs. Furthermore, Atauro Island was nominated and included in the global Top 100 Green Destinations.

**Figure 2: International Visitor Arrivals Timor-Leste (Ministry of Tourism)**

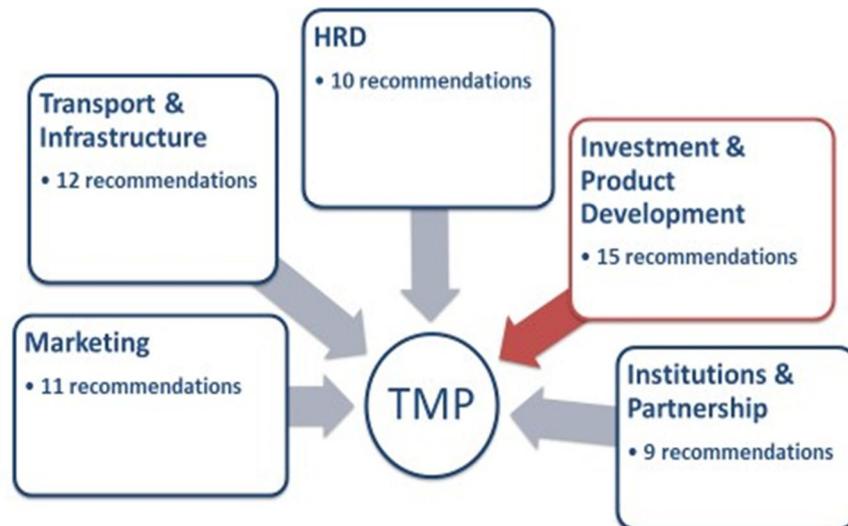


Mrs. Alcinda Trawen, Director for Policy and Planning of the Tourism Planning Authority for Papua New Guinea introduced the tourism master plan (Figure 3) that has been developed around a nature-based vision of "a million different journeys" with a very high significance placed on engaging communities and providing benefits to communities. Primary and secondary tourism products have been identified and investments in "soft" and "hard" infrastructure are being made following several recommendations from tourism experts and considering that 59% of the tourist source market is Australia and New Zealand.

She presented two examples of nature-based tourism, one of kayaking in Tufi and the other of surfing, where the government works closely together with the surf association in developing attractive products during off-season.

Figure 3: Tourism Master Plan Papua New Guinea – Nature Based Vision

## Tourism Master Plan – Nature Based Vision



Mr. Gregory Auta'a, Principal Tourism Officer for the government of the Solomon Islands, introduced the vision to develop tourism carefully with an important aim to respect and benefit resource owners and develop nature-and local culture-based tourism opportunities where visitors can engage positively with local communities in their natural and beautiful environment (Figure 4). He mentioned how the numbers of tourists to the Solomon Islands are still low and costs of accommodation and inter-island travel are relatively high, but the tourists are coming probably also through cruise ship visits that will frequent the Solomon Islands more in the coming year. The government aims to develop tourism carefully and sustainably and be ready when more arrivals come. For example, they started to integrate training for nature conservation rangers with tourism guides and vice versa to embed the understanding that a well-managed environment is one of the most important foundations for tourism.

Figure 4: Solomon Islands Session



Dr. Lida Pet-Soede, Marine Unit Leader for PT Hatfield Indonesia<sup>5</sup>, presented some findings from the WWF-commissioned baseline assessment by 2iis Consulting<sup>6</sup>, projecting the overall opportunity for nature-based tourism in the Coral Triangle region<sup>7</sup>:

- § Nature-based Tourism, often called out as the fastest growing tourism segment globally, has inherently higher-value per visitor than more mainstream forms of tourism, and is notably more resilient to the periodic downturns that impact tourism due to economic, societal, health or environmental reasons.
- § Underpinning all this is its much lower overall impact on the communities and environments of host countries and a real potential for it to help accelerate a country's development path over a sustained period of time.
- § Looking at the estimated current size of nature / adventure-based tourism, it is clear that, as well as being a rapidly growing segment, this is already an established market – even if the exact numbers should be viewed with caution because of the current lack of segmented global data.
- § Somewhere between USD19.7– USD24.6 billion, the size of the total Coral Triangle nature / adventure-based tourism market as already equivalent to Malaysia's total domestic and international tourism markets combined (estimated at US \$25 billion in 2013/14).
- § Looking ahead to 2035, the upper estimated range of USD204.4 billion would make the nature/ adventure-based tourism sector twice the current size of all six CTI-CFF countries'

<sup>5</sup> <http://www.hatfieldgroup.com/>

<sup>6</sup> <http://www.2iis.com.au/>

<sup>7</sup> [http://wwf.panda.org/what\\_we\\_do/where\\_we\\_work/coraltriangle/publications/?260690/Developing-and-Promoting-Sustainable-Nature-based-Tourism-in-the-Coral-Triangle](http://wwf.panda.org/what_we_do/where_we_work/coraltriangle/publications/?260690/Developing-and-Promoting-Sustainable-Nature-based-Tourism-in-the-Coral-Triangle)

total international and domestic tourism industries. To put it mildly, there is clearly potential available to be unlocked.

Additionally, Dr. Pet-Soede shared the CTI-CFF tourism sustainability framework (Figure 5) triggering the reflection of the ADB experts on important criteria and conditions for facilitation of private investment to achieve these countries visions (Figure 6).

**Figure 5: CTI-CFF Sustainability Framework**



Mr. Andrew Parker, Principal Social Sector Economist for PAUS, reflected on the country visions and opportunities for development of nature-based tourism and shared three points that are important to consider when inviting or anticipating investment in tourism development. The three countries present are considered as fragile countries where formal institutions are less formed and issues that governments are dealing with are complex requiring development in several sectors, not just tourism. From an investor point of view, these aspects make these countries riskier. Indeed, as these types of tourism are based on conservation and community values, there is more at play than a return on investment, but there must be some return for an investor having taken the risk to put money in tourism development in these countries versus more established sectors and economies.

**Figure 6: Country representation of Timor-Leste, Papua New Guinea and Solomon Islands with ADB experts on stage in the forum discussion**



Mr. Parker mentioned how there is a lot of improvement going on and that importantly, the Pacific is catching up with the world. Some countries – with support from ADB – are improving internet access and marketing, and ways to interact with international visitors, which can improve their position tremendously as global access is improving at the same time. Education outcomes are improving and people in the country are more aware and empowered to enter the tourism work force, including women and youth. He recommends that when tourism is developed, this should be done holistically, and include connecting local agricultural products with tourism outlets and linking communities that like to develop tourism with finance access, management, and other skill development programs that are already available for the agriculture sector in those countries. Linking those aspects of the local tourism enterprises can be used as a driver of socio economic development. On the other side, he stresses that the regulatory environment for foreign investment is key, getting access to finance, reducing the time it takes to set up a business, and sorting out the land-ownership issues.

Mr. Alfredo Perdiguero, Principal Regional Cooperation Specialist for the Southeast Asia Department of the ADB, shares that the ADB has been working on tourism for 20 years and some programs show successes, others were failures. He referenced a study by the UK development agency, citing examples like a small village community starting a tourism enterprise from nothing, around some location such as a pretty waterfall that attracts very few people, is usually not successful. The private sector must be involved. Communities and local government must work together with private sector in order for something to be viable. His experience also shows that it will be important to agree on the balance between benefits and responsibilities and that there are different models: some models where more ownership lies with communities and where the private sector does not need to invest so much, and others where the private sector enters with a bigger scale of investment and asks for

almost full ownership. Many people will naturally be in favor of the first model, but both exist in the region.

He stressed the importance and relevance of the private sector. For example, in order to be successful, you need a good understanding of the market and often private sector knows that best. Communities must be ready to negotiate appropriately in the business context; and building these skills requires a lot of investment prior to the development of tourism. Successful tourism involves marketing and the private sector is usually better at that. He agrees that one must look at tourism as a system that includes many aspects that provide socio-economic benefits, such as the production of food and other agricultural items. In that regard, working through the value chain in order to ensure benefits for community-based tourism is important, but some of the important learnings show that it often works best for community benefits when tourism is already present and indirect benefits are considered, such as supplying agricultural produce to tourism operations.

He identified visitors from China and India as the future tourists for the Pacific. Also, a code of conduct for investment will be increasingly important. Investment will require a lot of players to come together and the CTI-CFF is a good platform for this.

## **4.0 THE INTERACTIVE QUESTION AND ANSWER SESSION**

The interactive question and answer session revolved around the list of questions put forward by the sessions' participants (Figure 7). The ADB set up a "pigeonhole" approach to engage the audience in posing questions to panelists. At the start of the open discussion, 12 questions from the audience were posted on a large screen and facilitated by Dr. Lida Pet-Soede. The experts and country representatives answered the questions with the highest number of votes by the audience.

**Figure 7: Question and Answer Session**



§ **How can you incorporate corporate social investment in eco-tourism ventures? 10 VOTES**

The eco-tourism sector is a prospective sector for investors, and they will think how the commitment from local governments will support local community needs. These aspects will increasingly have to become a shared commitment between investors, local government, and local communities to support sustainable operations and satisfying visitor experiences, which will motivate return visits and word-of-mouth promotion.

§ **How can eco-tourism assure the protection of natural resources? 9 VOTES**

In the Philippines' case of Tubbataha and Apo Island, fishing is limited and in some parts prohibited. These areas are well-renowned tourism destinations while they are also protected by law. For example, in Apo Island, tourism provided opportunities for local community members who used to be fishers to switch to jobs providing tourism services and this makes the community want to protect the closed zones even more for biodiversity and spill-over of fish into the areas where they are allowed to harvest fish. As mentioned earlier, Tubbataha diver tourism supports between 60-70% of the management costs of the national park protection. In the case of Komodo National Park in Indonesia, during the tourism season, there are divers on the reefs every day which stops illegal fishers from fishing there.

§ **The Philippines aims to have 10% of its coastal waters protected as marine reserves by 2020. Do your countries have similar goals and what problems do they face in the process of achieving them? 6 VOTES**

Timor-Leste also has established marine protected areas and has additionally protected charismatic species such as dugongs, sea turtles, whales, dolphins, and manta rays. In fact, the protected zones at Atauro Island gained global recognition as part of the 100 Green Destinations. However, in the early days when communities do not find many direct benefits from tourism, because visitor numbers are still low, it is challenging to keep the motivation for compliance high.

**§ Is there a platform or mechanism for the sharing of best practices and lessons learned among countries? 6 VOTES**

Yes, the South Pacific tourism organization is a useful institution for this and furthermore, platforms such as this ADB Green Business Forum are a great opportunity to come together and exchange ideas.

**§ How are the interests of the stakeholders being balanced in the development of eco-tourism? 5 VOTES**

In the best practice approach, an eco-tourism destination management plan is developed with all stakeholders engaged from the start. Regulation is set by the government nationally and locally and the communities express their vision of how they like to invite and host visitors to their villages and their lands. Eco-tourism and nature-based tourism typically brings visitors to accommodations and adventures that are closer to communities in remote nature and wildlife-rich areas. Investors and operators are involved to help build capacity to engage communities in the businesses from the start. Local government and local community groups support the private sector in the early days to establish clear agreements on roles and responsibilities also on behalf of the claims that communities can make and should abide by.

**§ Is there any kind of limitation for tourism in the area, e.g. number of tourists at any given time; 'rehabilitation period' for the ecotourism areas? If there is none, why is that? 5 VOTES**

A similar answer can be given as to the question above, where a destination management plan should be developed that takes into account the opportunity for a nature and cultural experience and the availability of natural assets and culturally interesting experiences by communities that are welcoming visitors and understand that this will change their lives. The protection of critical ecosystems that are important for birds and marine wildlife that are often the reason why tourists come to the place will be critical, and that's why protected areas and local stewardship by communities, local government, and local businesses over their natural environment is so important. Without nature and wildlife assets in good health, you cannot sell a nature-based eco-tourism product. If you have a visitor, they will be disappointed and never come back and word-of-mouth news will travel that your destination is not cared for and not worth visiting.

**§ What kind of sustainability policies are in place that protect the environment and communities that will be affected by new entrants in the eco-tourism business? 5 VOTES**

Government and local communities must check the background of the "investors" who want to invest: do they have good background to preserve nature and "do they have a" high level of social commitment for the local community? All these countries have environmental and social impact assessment regulations before any investment can take place.

§ **What are the challenges that countries face when opening up their doors to foreign cultures? 2 VOTES**

Communities are often not ready to adapt to the changes that come with visitors, and infrastructure is also still a large hurdle in the region. In the region, there are other countries that have managed these aspects earlier such as Fiji and Bali, Indonesia and the Philippines, for example, and this means the competition for the Pacific countries is really high.

§ **Are there visa requirements from citizens of the countries in the Coral Triangle to visit for tourism purposes? How free can we roam? 1 VOTE**

It would be good if visa regulations can be made more conducive but there are many obstacles around this related to security and profits from visa fees. Establishing e-visa systems is the best solution to improve this in the region as it reduces a lot of time for the visitor. Also, compared to 10 years ago, there are more countries waiving the visa fee as more have started to do the math that the income from a USD50 visa entry is not as significant as a stay for a week or so of a tourist in a hotel spending money on activities around the country. One idea that has been considered in the past is to create a regional pass that allows also easy connection to airlines that service different parts of the region.

Some questions were not addressed due to shortage of time. These included:

§ **What types of investments would be the most useful for the development of tourism in your country? 5 VOTES.**

§ **The Travel sector contributes significantly to Greenhouse Gas Emissions, but at the same time plays a crucial role in (eco) tourism. How do we reconcile these two sides of travel? 1 VOTE**

§ **Noisy Party Tourists vs. Silent Nature Lovers. How can the flow of these 2 groups be steered without disturbing each other?**

At the end of the session, Timor-Leste and Papua New Guinea showed short but beautifully produced clips about the tourism opportunities in their countries and repeated the importance for the private sector to work with governments and communities in developing the best way to tourism (TL) and the opportunity that the convening of APEC brings in PNG in 2017 to address some challenges that can benefit nature-based tourism in the region (PNG).

The Solomon Islands, on the other hand, reported that they are working to prepare investment facilitation to support the right type of tourism development in its beautiful country for its communities.