



NIHIWATU RESORT, INDONESIA

COMMUNITY BENEFIT AWARD

WINNER 2007

CASE STUDY

Nihiwatu Resort, an upmarket resort located on the island of Sumba in eastern Indonesia, has created a model for the whole country by carefully developing its vision and mission on how tourism, carefully planned and managed, can benefit the local community and the environment.

While planning the resort, owners Claude and Petra Graves did not want to proceed with development without the understanding and approval of local chiefs from the nearby Sumba indigenous communities. For five years, they lived on an isolated beach without electricity or running water and survived by subsistence fishing, until they had garnered the necessary support and trust from the local people for their resort plans.

The resort property is 175 hectares and structured so that only 50 hectares can be developed. The remaining property is set up as a nature reserve via a



long-term leasehold from the traditional owners, many of whom now work at the resort. Consolidating the property took nine years and the co-operation of 300 families. The lease fee on the land increases by 10% per year to ensure that the local communities that own the land will have reliable cash income for their families. By changing 'slash and burn' agricultural practices, and developing sustainable tourism using only traditional bamboo and grass structures as an alternative, there is now 20% more forest on the island since the start of the programme 15 years ago.

The resort has also created the Sumba Foundation as a way to channel tourist-generated donations into community development and benefit projects. The greatest single focus of the Sumba Foundation is improving the daily lives of the Sumbanese. Since 2002, the foundation has generated US\$1,650,000 in donations for social and community development projects, with the majority coming from hotel guests – largely because they are able to see the positive results of the projects at first hand:

- Over a 45-square mile area, 37 wells have been installed by a drilling team, and 4,700 villagers now have access to clean drinking water. The women in particular cite this as a huge improvement: since they no longer have to spend hours collecting water, they have more time for farming, weaving, or earning other income.

CASE STUDY



- Three health clinics have been constructed, supporting 10,000 local people. Vacationing guests with professional medical backgrounds also volunteer services here, including dentistry.
- In an area where 30% of children under the age of eight die from malaria or related causes, Nihiwatu has decreased infection rates by 80% by distributing insecticide treated mosquito nets in local villages.

Significant time and effort have gone into supporting education as well. At five local schools, Nihiwatu has supplied water, toilets, tables, chairs, new classrooms, and even 16 computers. Local villagers take pride in these facilities and the schooling. When initially training staff, English teachers were brought in to help train local staff and provide the English language instruction needed to work in the tourism industry. Now, 95% of the resort staff are local, with all six hotel departments headed by locals.

As many as 40 of the 43 Sumba Foundation employees are Sumbanese, with the remainder from surrounding islands. Resort staff educate their families in health, sanitation and how to interact with tourists. To create income for those not working at the resort, Nihiwatu has sponsored craft-making as an income-generating activity aimed at local women. There is also a programme for creating bio-diesel fuel made from coconuts and purchased from local villages, which is expected to generate US\$1 million in profits for the villages in the next ten years.

More than 40% of resort guest bookings are because of the community work of the Sumba Foundation, with many visitors returning year after year to stay involved in helping Nihiwatu support local community development. This holistic approach to tourism in Indonesia offers a model for directly supporting local people in one of the world's poorest developing countries.