

Welcome to Igoigori Island Eco-Resort, where Paradise is Redefined! Located in the Coral Sea of Papua New Guinea, guests will venture to a private island with a year-round temperate climate filled with a variety of activities of relaxation, adventure and culture, all in a sustainable environment.



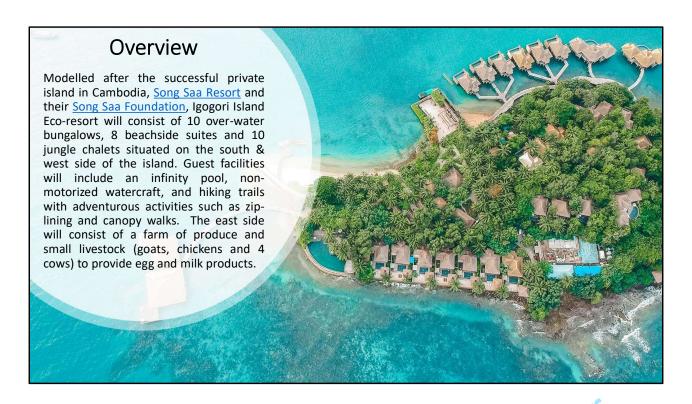
Located just 3 miles off the mainland within the Suau District of the Milne Bay Province, Igoigori Island is 150 acres of undeveloped land. While remote, it's close enough to Alotau, a city that has twice daily flights from its capital Port Moresby. The area has one of the most biodiverse coral reef systems in the world and has daily air and water temperatures conducive to visitation all year round.

## Opportunity

In February 2019, Igoigori Island was <u>listed for sale</u> by the owner in an effort to find a business partner to develop an eco-friendly resort. While foreign investment in Papua New Guinea can be challenging, local support of the traditional owners is paramount to obtain a leasehold for a 99-year term. With the right investment and strategy, Igoigori Island Ecoresort can provide a pristine setting for travelers to experience one of the most biodiverse reefs in the world, engage in the local culture of the many tribes of the country and support the local community, all in a sustainable way within a new tourism model.



While ownership of land can be difficult in some destinations, leaseholds of 99 years are available from traditional land owners and the government. Specifically for Igoigori Island, the owner began a quest for a business partner to develop an eco-friendly resort on the island in February 2019. While Papua New Guinea as a destination doesn't receive a large volume of tourism, it has been increasing and most, especially from the long-haul market are in the luxury sector due to the expense in simply getting to the destination. In 2019, according to Papua New Guinea Tourism Promotion Authority, the land-based leisure market was 25,199 people (https://bucketpng.s3.amazonaws.com/files/s3fs-public/2020-02/2019%20Visitor%20Arrival%20Statistics.pdf). In 2018, the average spend per person in country was \$2,157 USD and because of its location, travelers also tend to stay longer which decreases the impact on the local resources.



The private island concept is available throughout the world from the Caribbean to the South Pacific and Asia. While many are focused on the luxury market, the infrastructure within Papua New Guinea over the last few decades has limited development within this space, although this is changing. A successful example of a private island, which is essentially self-sustaining is Song Saa, in the Gulf of Thailand in Cambodia, which full supports a local community who works on the island in a variety of roles. Igoigori Island Eco-resort will be modelled off of Song Saa Resort, yet focused on more eco-friendly practices and at a lower price point with the removal of individual pools at each room. Additional differences include a sustainable menu, primarily lacto-vegetarian with the additional of eggs; most of which will be grown on the island and aligns with the common diet of locals. Guests will even have the opportunity to plants and harvest crops during their stay, along with a variety of other activities including water sports and soft-adventure amongst the canopy.

### **Environment** 150 acres of land for various sections of sustainable development Access to sea for fishing • Tropical Climate Consistent sunlight Agriculture Solar power Seasonal precipitation Agriculture Storing of water Varying topography on the island for diversity in crops Space for bio-fuel production

As a tropical destination and a relatively large island, there are a number of advantages with regard to the environmental resources available. With varying topography on the island, different types of crops can be grown in addition to land available for chickens, sheep and goats, all while having the ocean available for fishing. With consistent sunlight and seasonal precipitation, solar power will provide a energy source to the minimally-requested use of electricity at the eco-resort which will not have major electronics in the rooms and minimal options in the public spaces. The wet waste from the rooms and facilities will be converted into bio gas which will fuel the water-vehicles and kitchen, providing a sustainable model of energy and food for the island.

The greatest challenge will likely be fresh water and may require the importation of such unless a well system can be created on the island. Additional challenges may include some external waste, however various policies will be implemented such as reuseable dining ware, no plastic waste and recycled materials for different projects on the island. The importation of some food many be necessary in certain seasons as well as importing of alcohol for guest consumption.

With regard to the building of the resort, being located on the southern side of Papua New Guinea and not far from the capital and with lax import regulations, the construction is easier than that in other parts of the country, but not without normal challenges in the

acquisition of materials, especially those focused on sustainability. However with it's proximity to Australia it does offer an advantage.





## Community

- Culturally rich with 900+ tribes, customs and languages
- Opportunities for meaningful community development
- Local population within relatively minimal distance to island
- Engaging demeanor with appreciation of tourism
- Similar models have worked elsewhere in the country/region

Papua New Guinea remains a culturally-rich destination with unique elements due to the diversity of tribes and their respective customs, traditions and even 900+ languages. With a distance of only 3 miles to the mainland in an area that has a 300,000 residents, there is opportunity for mutual support as the biggest value in visiting Papua New Guinea is the cultural element and diving. In small communities, especially those in which have foreigner presence, it's important to have strong community relations. Additionally the community members can be protective over their land and traditions, which must be respected. (In some parts of the country, still today, international tour leaders much travel with a pig on the off-chance a tribe has blocked a road of which is given as a bribe to pass.)

Similar to that of the Song Saa Foundation, community engagement opportunities are plentiful, primarily with education as the literacy rate is only 61%. Teaching of new skills and trade is also a great opportunity as well as offering the chance for visitors to experience the local traditions, which help preserve the social integrity that has been in the destination for thousands of years.

There is potential for concern in general crime as the destination is riffled with situations, although usually concentrated in Port Moresby. The introduction of 'Westernized items' could also be a concern in the preservation of the local culture. It is extremely important to have community support as there have been disputes regarding land and/or activities on

other islands in Papua New Guinea, such as Lissenung Island in the north whereby the traditional owner wanted to break the leasehold, so enforcement of the contract may be a factor, but merely require a mutual understanding from the beginning.

Because of the remoteness, the community is not versed in different cultures such as the LGBT community, so this may need to be addressed with staff should there be guests from this segment.



## **Economy**

- Skilled workers to manage land and sea food production
- Potential revenue sharing program
- Employment at the resort in a variety, both direct and indirect
- Increased wages due to quality of resort
- Minimal options for nontourism revenue
- Many unique experiences for tourism

Joshua









With a variety of skills in working off the land, locals will be able to support the infrastructure of the resorts activities from the direct methods of being a fishing guide, working at the resort as an employee or indirectly of providing food for guests through agriculture or fishing. Additional income will be generated through performances and the continuance of cultural traditions. To insure there is acceptance in the community, a revenue-sharing model with the local chief/tribe is suggested.

A potential barrier is the fact that unemployment in Papua New Guinea is low at 2.5%, however the current average monthly salary is around \$40, so an opportunity for locals to receive more income by working for or supporting this high-end eco-resort. A similar model was initiated at Tufi Dive Resort in the north, only accessible by plane 3 days per week and comprised of a 3\* dive resort and a village, mutually working together and supporting each other. It will also be important to ensure the current industries in which the locals work are supported or are sustainable should they leave to work for the resort.

#### Competition **Loloato Island Resort** Song Saa Private Island - Cambodia • 5\* with community-focused foundation 5\* located near Port Moresby · Membership 'day spa' for locals · Focused on relaxation nternational Lissenung Island Resort Lizard Island - Australia 3\* located in north near Kavieng • 5\* in Great Barrier Reef · Limited capacity with 4 bungalows · Jointly promoted with Luxury Lodges of AUS Nihi Sumba Island – Indonesia Kuri Resort Buka 3\* located on Bougainville Island 5\* not on private island · Recent proposition to become own country Focused on wellness Nuli Sapi Retreat Soneva Kiri – Thailand • 2\* located in Milne Bay • 5\* on Koh Kut, not private · Awarded eco-lodge · Focused on multi-family

The concept of a private island experience is rare in Papua New Guinea with only a few options and most in the 3\* category. Lissenung Island Resort has logistical challenges and while eco-friendly, is mid-budget. Kuri Resort Buka, operated by the Pororan Island community is located on Bougainville Island, which just had a referendum pass to become its own country and will inevitably have political and logistical challenges for a few years. Nulu Sapi Retreat, also located in Milne Bay was rated in the top 10 eco-stays by Lonely Planet in 2014, however has minimal infrastructure and only 4 rooms. The most similar comparison is Loloato Island Resort, a short drive from Port Moresby and serves as a 'membership club' for locals. While a high-end resort had not yet been available in Papua New Guinea until recently, Loloato was renovated from a 3\* property to a luxury resort within the last 5 years, thus supporting the need for such an option. Igogori Island Ecoresort, while similar in style would not be direct competition due to it's remoteness and ability to integrate local indigenous authentic culture with the tribal communities.

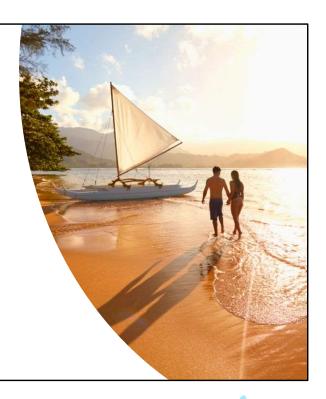
From an international perspective, there are a variety of places that should be considered in the competitive analysis as these are destinations in itself and a majority of the visitors will be from the long-haul market. Song Saa, as previously referenced is a directly comparison and while they support the local community, interaction and showcasing the local customs and traditions are minimal; as is the case with the other international resorts mentioned. Lizard Island would be the closest competition and marketed well within the

Luxury Lodges of Australia collection, however it's sustainable initiatives are minimal in comparison. Nihi Sumba and Soneva are both resorts on islands, not necessarily private and thus provide a different appeal, primarily designed for the honeymoon market.



## **Target Markets**

- Source Markets
  - · Local Australia & New Zealand
  - Mid-range Singapore, Hong Kong, South Korea, Philippines, Japan and China
  - Long-haul North America & Europe (UK, Germany, France & Spain)
- Niche
  - · Honeymoons, Romance
  - · LGBT, Luxury, Adventure
  - Incentive Travel
- Demographic Segments
  - · Retired Baby Boomers
  - · Millennial Professionals



According to Conde Nast Bridal Media's study, the honeymoon market is a \$10 billion a year industry and competition to acquire this segment can be fierce. In more recent years, honeymoons have been changing to include more experiences versus the 'fly & flop' model of an all-inclusive resort. Destinations from South Africa to India are targeting this segment in hopes of attracting these visitors by offering active experiences combined with the relaxation and wellness options.

Igoigori Island Eco-Resort will have various campaigns targeting the local market (Australia & New Zealand), mid-range market (Singapore, Hong Kong, South Korea, Philippines, Japan & China) and the long-haul market of North America and Europe (United Kingdom, Germany, France and Spain); based on the current tourism arrivals into Papua New Guinea along with expert luxury tourism guidance. Additional niche markets are the LGBT community, luxury, adventure and incentive markets, while the demographic will likely be comprised of Retired Baby Boomers and Millennial professionals.

While each segment will have its own requirements, the most common being dietary, these will be accommodated with prior notice. Due to the remoteness, international travel insurance will required for all visitors. It is unlikely there would be many local domestic tourists visiting. With a per capita income of \$4,220 USD per year in 2018 according to the World Bank, those who do have discretionary income for travel will likely visit Loloato

which caters to the domestic market with their membership model and a short distance from Port Moresby, the only city in the country that has people with discretionary income. However, in the low season (February), a friends and family discount can be offered to the locals in Milne Bay who have a relationship with someone at the resort.





## **Local Support**

- Construction & Maintenance
- Direct Employment
- Indirect Employment
- Social Enterprise Integration
- Cultural Programs
- Agriculture, Fishing & Farming
- Handicrafts

From the planning to construction and operations to guest experiences, nearly all aspects can be accomplished using local resources and through this involvement, the community will be empowered and understand the success is only contingent upon their support. As previously mentioned, fresh water is the only primary on-going potential issue. During the construction, some materials may need to be imported, along with technology for operational purposes, but only when necessary.



#### Sustainability on Igoigori Island

With a 'blank canvas' or in actuality, an undeveloped island that is 150 acres, we've been able to create sustainable systems in nearly every aspect of the ecoresort. From the moment you land in Alotau, you'll be met by your local guide who will assist you throughout your stay. After transferring to the dock, you'll be taken by canoe to the island and taken to your room. Using indigenous flora, each bungalow, suite and chalet has been constructed to allow for as much natural light as possible, a benefit with only having one light and two outlets in each room. Don't worry, plenty of locally-made candles are available throughout your stay!

After lunch in the main lodge, a meal primarily vegetarian as we only have one refrigerator and freezer on the island, you'll have time to explore the island on your own, perhaps even venturing to the East side to see the farm where most of the food is harvested on a daily basis. This evening you'll enjoy a traditional performance, a sing-sing, a fire dance from the locals who work at the resort and love sharing their culture and history!

The construction of Igoigori Island Eco-resort attempted to utilized all natural building materials from the island itself or nearest to the mainland to keep carbon emissions as low as possible. The construction was handled by locals under the supervision of the local municipality and in conjunction with the local tribal chief. Special consideration will be made for potential industries that may be impacted by the diversion of jobs during this time, so the timeframe of construction may need to be adjusted accordingly. Each section of the island was constructed to house a certain element of a self-sustaining operational resort including an area for composting and a bio-gas facility. The compost is used on the 70 acre farm located on the east side of the island (around 1.5 acres per guest an industry average) which is used to grow vegetables along with free-range chickens for eggs or the once-weekly chicken dish, goats for landscaping and milk, and 4 cows (providing milk). A majority of the protein is from legumes or fish & seafood that is caught daily near the island. The bio-gas fuel is used for any energy needs on the island including the stoves, the motors for boats if necessary and powering the generator. Minimal electricity is used on the island as there is only 1 light in each room with two outlets, with a majority of the light provided by candles that are locally made. The main facilities include a lounge, dining area and a kitchen that only contains one refrigerator and freezer. Water is obtained from wells, with the need to potentially import fresh water from the mainland, like the biggest challenge of the resort. The main pool is salt-water based and there is a small water treatment plant on the island that produces grey water (obtained from showers/toilets as

environmentally safe cleaning liquids are providing in bulk in the guest rooms and public spaces) which is used in the toilets and watering of the grounds. The main source of energy is from solar-power with a potential for supplemental energy from hydropower. Food production will continue regardless of the occupancy in the resort with it given to the local community, mainly staff to provide for the families.

Once on the island, there is very little reason to leave, however should there be an emergency, there is a helicopter landing pad on the East coast of the island. While most guests prefer to walk everywhere, the property has 4 solar-powered golf carts to take guests around in addition to one speed boat.

The goal of the Eco-resort will be to sustainably develop the island's infrastructure to support the local community through the financial support of different projects and direct/indirect employment. Because the island is currently undeveloped, this is possible, although finances will determine the luxuriousness of the guest experience and timeframe in which development happens.

The 'needs' are to minimize the negative impacts on the environment while maximizing the positive impacts on the community, all in a economically sustaining way through collaboration and stakeholder engagement.

The 'wants' are to create a self-sustaining island by means of properly utilizing land, water and training of staff. While some instances such as the importation of alcohol are unlikely to be eliminated, it is possible in the future the island will be able to produce its own. Certain ingredients/products will also likely need to be imported onto the island, but can be done through community participation in the creation of these items.



Daytime activities include interactions with locals such as spear-fishing, canoeing, wind-sailing, scuba diving, snorkeling, art classes, exploring/working on the farm, hiking with a guide on the island to learn about the different flora and birds, some adventurous activities such as zip-lining through the jungle or canopy walks, and relaxation on the beach, pool or in the spa. The activities can be arrange through a personal guide who will have met the guests at the airport and brought them to the island via canoe.

Evening activities include interacting with locals to learn their stories, playing with a variety of board games, enjoying a nightly outdoor movie on the beach or watching a nightly performance from locals.

# Top 8 Sustainability Assessments

- Budgeting
- Eco-design
- Guidelines / Policies
- Environmental Management System
- Social Management System
- Life Cycle Assessment
- Quarterly ABC Analysis
- Sustainability Balance Scorecard



In developing a project on a previously uninhabited island, the primary concern will be determining the impact on the environment which can have cascading effects on the surrounding community (reduction of water/fish, diversion of jobs, imbalanced socioeconomic groups, etc.). However various assessments can be performed to ensure the sustainability of the environment, community/culture, and the resort itself through economic retention and solvency.

During the planning phase, it is important to focus on budgeting. Investments will be made for initiatives that are deemed sustainable with a long-term objective, even if the seem unreasonably expensive at the time and the calculation will be based on industry standard occupancy rates of similar type of international properties. Costs need to be considered with the primary concept of the eco-resort designed and operated in a sustainable way within a luxurious setting. Because of the remoteness of the location, budgeting (both with money and time) will need to be factored into the development.

With limitations in space, even with 150 acres, eco-design is essential in trying to create a self-sustaining island eco-resort. From building materials to machinery (such as the bio-gas system) from the sunrays to the wind and tides, careful planning is necessary to maximize space and reduce impact.

With a local workforce who is generally unaware of sustainable practices, there will need to be a large amount of focus on education, not just with operational items, but training on levels of service and expectations, likely a long process and will likely require outside support. Consistency from the beginning will help such as policies on recycling and reusing items, perhaps in an incentive system. From a guest perspective, this will be less of a concern by setting proper expectations during the planning and booking process such as the limitations at the resort (ie. dietary requirements).

The environmental management system will be the biggest focus to ensure the resort does as little damage as possible, even if it requires modifying land-use or accepting a trade-off such as the importation of some food items or eliminating or limiting some guest activities. There will be frequent assessment of the impacts and changes made to adjust accordingly in an effort to insure long-term sustainability of the island, the resort and income to the community. A global tourism industry organization will be brought in to consult as well as the goal of obtaining certifications.

Social management system is equally as important as the environment as this concept will be new to the community, who will need to feel a sense of ownership over tasks and the success as well as be rewarded accordingly (not necessarily monetarily). Proper assessment is important to maintain a sense of community outside of the resort so as to not create a new class system on the mainland of those who work at the resort becoming 'rich' through their employment. A supplemental payment system can be created for incentives such as days off, new training programs or other means of support. All legalities with employment including equal opportunity will be followed with an external audit conducted every other year.

A life cycle assessment will be done during the planning phase to determine where efficiencies can occur with products, waste and/or the reuse of everything from wine bottles turned into vases and given to guests as a departing gift to sea urchin spines used as toothpicks for canapés at sunset. While most everything can and will be obtained locally, if not on the island itself where full-control will be possible, working with the suppliers to ensure their practices are sustainable will happen.

Quarterly, if not monthly ABC Analysis will occur in the following areas of the resort: Guest Experience, Agriculture/Food, General Operations, Land-use, Surrounding Water Impact, Employee Satisfaction and Community Impact. Through this, the resort will be able to determine what areas are most problematic in each area, while also its effect in other areas, which will then also help prioritize issues that need addressed. For instance, if the amount of spear fishing (either recreational with guests or for resort dining) causes a decline in the fish population, this would impact the guest experience in their enjoyment in snorkeling, the agriculture food resource, general operations in possibly negative feedback reducing occupancy rates, surrounding water impact and community impact from also having reduced fish populations. The goal will be to frequently address the biggest concern in each category and then reassess as the change may have a cascading effect elsewhere.

The resort's biggest measure of success will be the Sustainability Balance Scorecard, comprising of all three pillars of the environment, community and economy to achieve a win-win-win scenario. Through careful and strategic planning, specifically utilizing backcasting, this can be accomplished. It will be important to obtain various perspectives on this analysis from various stakeholders as the success is contingent upon community support.





Igoigori Island Eco-Resort in Papua New Guinea will be the first of its kind in the country focused on sustainability in the luxury segment. Collaboration with both the community and other operators in essential for long-term success. Complementary lodges in the highlands of Papua New Guinea with Bob Bates, owner of PNG Tours (<a href="http://www.pngtours.com/">http://www.pngtours.com/</a>) who established tourism in Papua New Guinea will be the first marketing focus as Igoigori Island Eco-Resort offers the quintessential experience after exploring the areas in which his lodges are located. While there are potential cascading effects of development of a resort on this island, the benefit this will bring to the community is grand, providing the environment is respected. With a variety of stakeholders engaged in the development and operations of the facilities along with careful and strategic planning, Igoigori Island Eco-Resort has the potential to redefine paradise in a sustainable way!