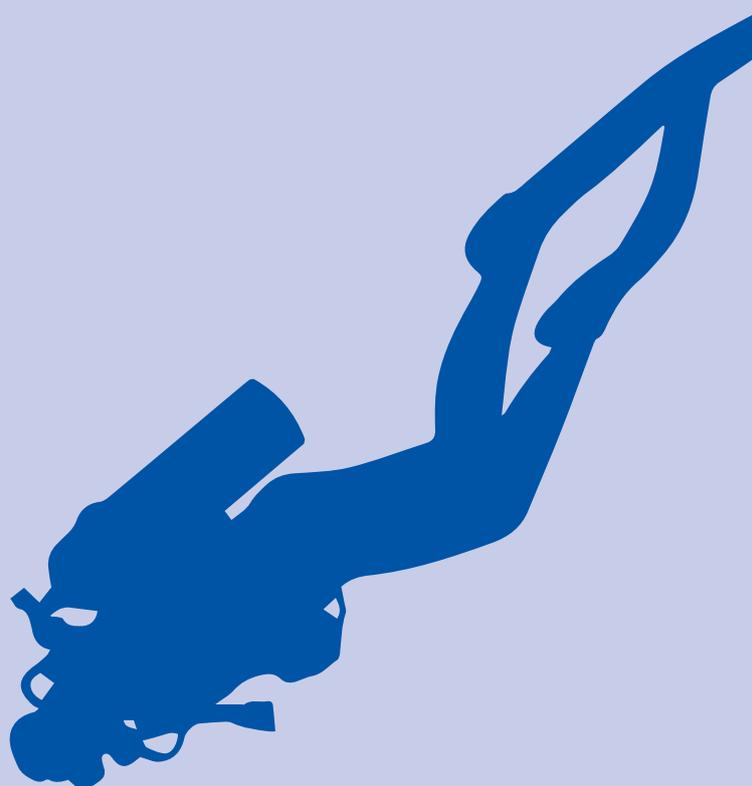




International
Labour
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Tourism Sector

Business Opportunities and Support Services (BOSS) Project

- Intervention Report -



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Abbreviations

BOSS

Business Opportunities and Support Services Project

IADE

Institute for Business Support

ILO

International Labour Organization

MAF

Ministry of Agriculture and Fisheries

MED

Ministry of Economy and Development

M4P

Markets for the Poor

MSEs

Micro and Small Enterprises

NDRED

National Directorate of Rural Economic Development

MECAE

Minister of State, Coordinator of Economic Affairs

SEAPRI

Secretary of State for the Promotion and Support of the Private Sector

Executive summary

The key ILO project in Timor-Leste focused on advancing the development of the private sector towards these priorities is the Business Opportunities and Support Services (BOSS) Project – a private sector development project with its core objective to contribute to employment creation and income generation. The project draws on the Making Markets Work for the Poor approach, addressing underlying constraints in functions that support core market systems. The project has been operational for over 4 years and is in its final year of implementation. At this juncture, the project wanted to reflect on progress and document key learnings from the components of its work. This report is one in a series of intervention reports, with a focus on the development of the tourism sector delivered in collaboration with the ILO's key counterpart, the Institute for Business Support (IADE).

In its initial phase, the BOSS project had considered that tourism would be part of its value chain approach. However, it soon became clear that tourism didn't follow the pathway of other product value chains and was a more complex interlinked system with a web of transactions. BOSS worked to uncover key constraints in the sector from this perspective and develop interventions to start addressing these. Interventions include:

- Establish District Tourism Working Groups in key district locations.
- Develop sector relevant technical and business management training.
- Tourism Destination Marketing for Timor-Leste.
- Development of a National Tourism Association.
- Facilitate Public Private Dialogue.

- Support development of a Tourism Visitors' Centre.
- Drafting a national tourism policy.

The key success points for the project have been at the district level and through the development of sector specific training to enhance the technical and business skills of tourism operators, and institutionalize this training with a local provider in order to make it available nationally.

The project has also had some successes at the Whole of Government level, with the recent release of a draft tourism policy. This policy will have a positive impact for setting critical strategic direction for the future of tourism in Timor-Leste. The BOSS project has also been involved in the production of national tourism website which in the final stages of production. This website will be managed by the Ministry of Tourism. Should the Government now choose to ratify and enact the tourism policy, and continuously manage and update the national website, it is anticipated this intervention will see many positive flow-on outcomes for tourism nationally as a result.

Introduction

The International Labour Organization has a mandate to “help advance the creation of decent work and the economic and working conditions that give working people and business people a stake in lasting peace, prosperity and progress”¹. In Timor-Leste, the priority for the ILO has included enhancing youth employment promotion, integrating employment into rural economic development and improving labour market governance. These priorities work in concert with Timor-Leste’s Strategic Development Plan 2011-30, which emphasises the support and development of the private sector to become the driver of employment creation and income generation.

The Business Opportunities and Support Services (BOSS) project is a private sector development project with its core objective to contribute to employment creation and income generation based upon a systemic approach to enterprise development. The BOSS project is embedded in the Institute for Business Support (IADE), under the remit of the Minister of State, Coordinator of Economic Affairs (MECAE) to address the needs of micro and small enterprises (MSEs) in Timor-Leste’s severely under-developed private sector. Funded by Irish Aid and NZAID, the project started in 2011 and finishes September 2016.

The project encompasses three main components:

Objective 1: Increased business opportunities for MSEs in target sectors (horticulture, cattle and tourism) and districts.

Objective 2: Nation-wide access to enhanced and innovative market/ need oriented business development services.

Objective 3: Increased government’s commitment and capacity to mainstream gender in all policies, programs and activities.

¹ International Labour Organization: www.ilo.org

In the beginning

Design and planning phase

The Business Opportunities and Support Services (BOSS) project was designed to respond to the local context of a private sector primarily characterized by small, agri-based and informal business activities. In Timor-Leste, there are few productive alternative industries outside the petroleum sector, which accounts for the vast bulk of Timor’s GDP². Private sector activity is very limited, construction being one growth area, predominantly due to government infrastructure investment. Other non-oil industries remain nascent. 80% of Timor-Leste’s population is involved in subsistence agricultural activities to support their livelihoods³.

The Timor-Leste government has acknowledged the importance of the private sector within poverty reduction strategies, including in its Strategic Development Plan 2010-30, and commenced movements towards creating a more favourable enabling environment to support private sector growth, such as the introduction of key regulations and reforms⁴.

BOSS was, originally, embedded in two institutions, the Institute for Business Support (IADE) and the National Directorate for Rural Economic Development (NDRED) under the Ministry of Economy and Development (MED). Following the election and Government restructuring in 2012, the decision was made to merge the project and to have one counterpart, IADE, which moved under the Secretary of State for the Promotion and Support of the Private Sector (SEAPRI). Another government restructure in 2014 saw IADE move to the newly created Minister of State, Coordinator of Economic Affairs, which reports directly to the Prime Minister. The ‘embedded’ approach aimed to promote close working relationships

with government staff to build institutional capacity to undertake key roles in the future. Each component of the project had a key counterpart within IADE. BOSS designed a logical framework detailing objectives and outputs for each component, as well as indicators.

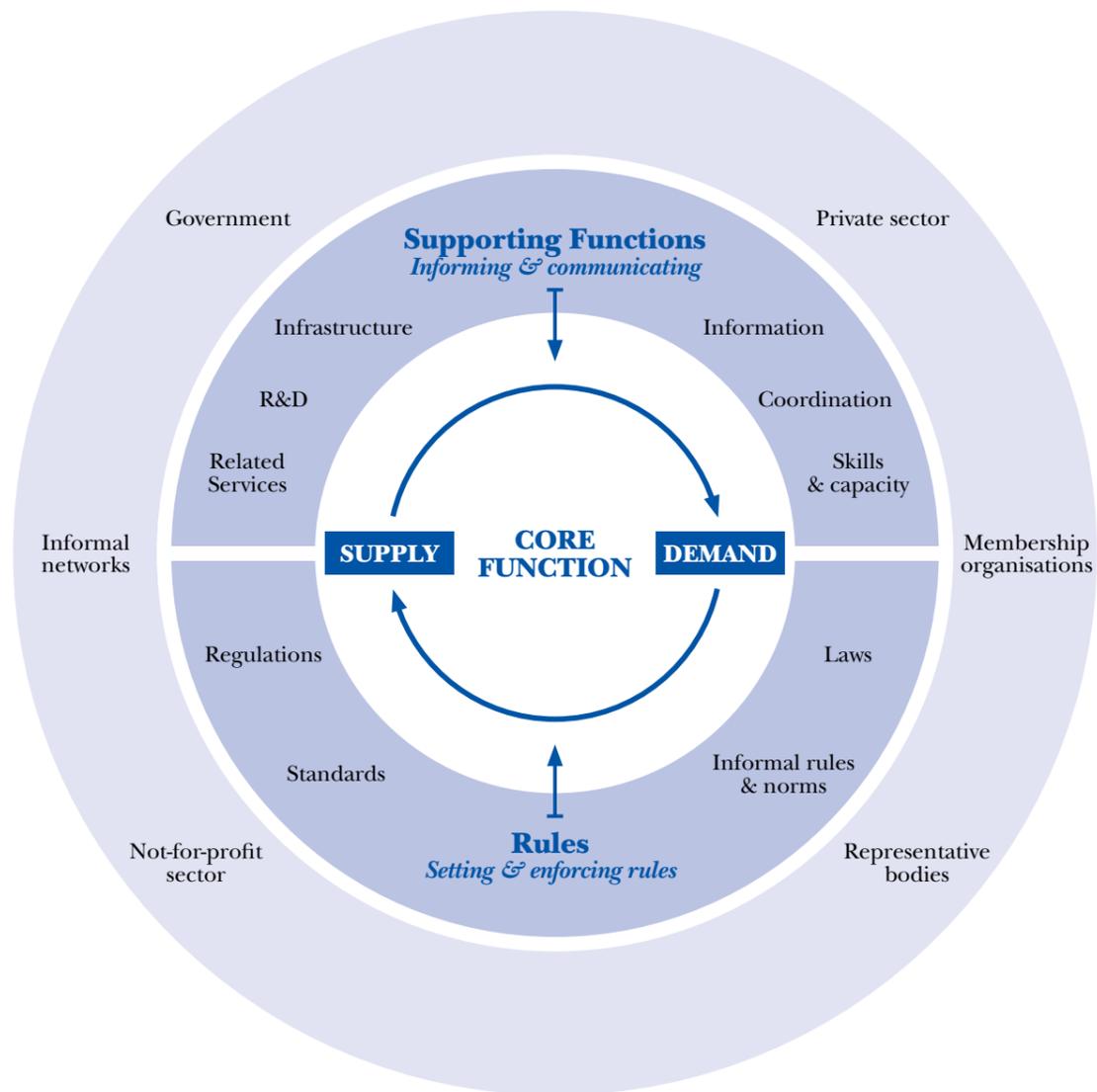
BOSS set out, under Objective 1, to strengthen market systems to benefit the poor, particularly around improving job opportunities and incomes. The approach within this objective drew on the Making Markets Work for the Poor (M4P) methodology, seeking to address underlying constraints within markets and stimulate systemic change to create sustainable and widespread improvements. Figure 1 below depicts the market system which comprises the core function of supply and demand, with supporting functions and rules / regulations part of the broader market system that strengthen or hinder how a market system is operating. BOSS interventions are predominantly focused on strengthening the supporting functions and rules to address these underlying market blockages, although has also assisted in the strengthening of the core of the market system itself.

² Beck, Hans: Economic Update 2013/14, World Bank

³ World Bank: *Timor-Leste Expanding Near-Term Agricultural Exports, Diagnostic Trade Integration Study, 2011*

⁴ Ref which decrees etc

Market system⁵



M4P advocates to ‘facilitate’, rather than directly provide, services and support, thereby building solutions to constraints within market systems players themselves. For BOSS, this has meant working with private sector firms (frequently newly established) as well as through IADE itself as a BDS provider.

The project placed an emphasis on the considerable challenges for the private sector at the rural level, initially taking a Local Economic Development approach. BOSS structured the initial phase for Objective 1 around local engagement with key public and private sector stakeholders in 3 priority districts, selected due to their poverty rankings in the country. Sectors were selected on the basis of having the greatest potential to positively impact the poor. The selection of tourism as a sector also aligned with Timor-Leste’s Strategic Development Plan. Objective level indicators related to increasing sales for MSEs, net additional full time jobs in MSEs, increasing numbers of MSE startups and public and private investment. These were further defined following analysis and for tourism, were eventually revised considerably, taking into account the nascent stage of the sectors’ development (see below).

Project interventions in the tourism sector began in November 2012 with value chain training of IADE staff and initial interviews with sector stakeholders in Dili. Within IADE and BOSS, the tourism sector was not well understood. IADE staff developed research tools for the tourism research, which commenced at the national level in Dili. Research was then conducted by IADE in 3 districts (Lautem, Bobonaro and Ainaro) in

January and February 2013. The team found considerable difficulties locating tourists to interview and the businesses they interviewed had very little experience of international tourists.

By March, a New Zealand volunteer (VSA) with experience in tourism development was mobilized to provide on the job training / mentoring for staff at IADE and for other stakeholders outside IADE, such as district groups and staff at the Ministry of Tourism. Following an initial assessment, the volunteer concluded focusing on Lautem and Bobonaro districts would be problematic, with one key impediment being the state of the district roads, amongst others. The geographic focus for BOSSs tourism activities was revised, reflecting areas most conducive to tourism development. These included focusing on the Maubisse / Hartibulico area of Ainaro district and the island of Atauro, due to its higher potential for tourism in the shorter term.

A Research and Development report for the Tourism Sector in Timor-Leste was drafted and results presented to key stakeholders including the Minister of Tourism, Secretary of State for the Support and Promotion of the Private Sector (SEAPRI), Directors and General Directors at the Ministry of Tourism and the Secretary of State for Art and Culture (as Acting Minister of Tourism) and (once established) the Timor-Leste Tourism Business Association (AETTLL) plus other individual private sector tourism operators. The approach was considered “holistic”⁶ as it addressed local, national and international issues, with stakeholders involved at all these levels.

⁵ Springfield Centre: The Operational Guide for the Making Markets Work for the Poor (M4P) Approach

⁶ Pes: Interview with Roberto Pes and Jenny Ikelberg, 25 August 2015

The tourism sector in Timor-Leste

The tourism sector in Timor-Leste is at a very early stage, following a long period of colonization, occupation and instability. The country currently receives very low international visitor numbers. It is relatively expensive and difficult to get to when comparing with other key tourist destinations in the region.

Timor-Leste isn't marketing the country effectively as a tourism destination and in some instances, is still perceived as a potentially unsafe place to holiday, with some countries yet to reduce security advisory warnings. Infrastructure, particularly in the districts, is very poor. The few tourism service providers that exist generally exhibit low business and hospitality skills. Accommodation in the districts is relatively scarce and in poor condition.

However, research showed that the country has good tourism potential to particular market segments, particularly groups with special interests such as diving, hiking or eco-tourism.

“Timor-Leste is a small country, 15,000 km2 and a population just over 1 million, with beautiful and varied landscapes. It has tropical waters rich in marine life, some white sandy beaches and rugged hill country / mountain ranges. Natural features include caves systems and hot water springs. It is culturally interesting with Portuguese colonial heritage, resistance history and Timorese culture. Timorese are generally extremely friendly and very welcoming to visitors, especially in the districts.”

(Timor-Leste Tourism Research and Development Report, IADE, 2014)

BOSS determined that, as a service sector, the development of tourism would have the potential to reach the poor and create employment and income opportunities.

During the research process, the project felt that tourism did not readily fall into a 'value chain' model as tourists do not navigate the sector in a linear manner, rather move between providers of accommodation, transport, tourism operators, restaurants in a complex 'web' of transactions. The research, once completed flagged a range of challenges facing the sector, including:

- Lack of market place awareness / difficulties finding out information / booking travel
- Fragmented tourism industry
- Roads and other infrastructure
- A growing population of crocodiles
- Low accommodation standards
- Limited attractions / activities
- Legislative / planning gaps
- Land border crossing requirements
- Language skills, low service culture

These issues represented constraints in the supporting functions and rules of the tourism market system that continue to impede the development of Timor-Leste's tourism. BOSS subsequently prioritised key intervention areas to strategically address some of these challenges, including:

CHALLENGE	INTERVENTION RESPONSE
Limited attractions / activities and difficulties finding out information (about district tourism offers)	Establish district level Tourism Working Groups to support local tourism development
Low service culture and low accommodation standards	Develop tailored tourism and business management training through East Timor Development Agency (ETDA) and IADE
Lack of market place awareness	Support the Ministry of Tourism with strategic planning and destination marketing
Fragmented tourism industry	Support the establishment of a National Tourism Businesses Association
Difficulties finding information (in TL national level)	Support the Ministry of Tourism to establish and run a Tourism Visitors' Centre

Market players cut across both public and private sectors, acknowledging the important role of government within the tourism sector. Players within the market system are a critical aspect of the interventions and changes in their behavior are fundamental to whether impact can ultimately be achieved and sustained. These include:

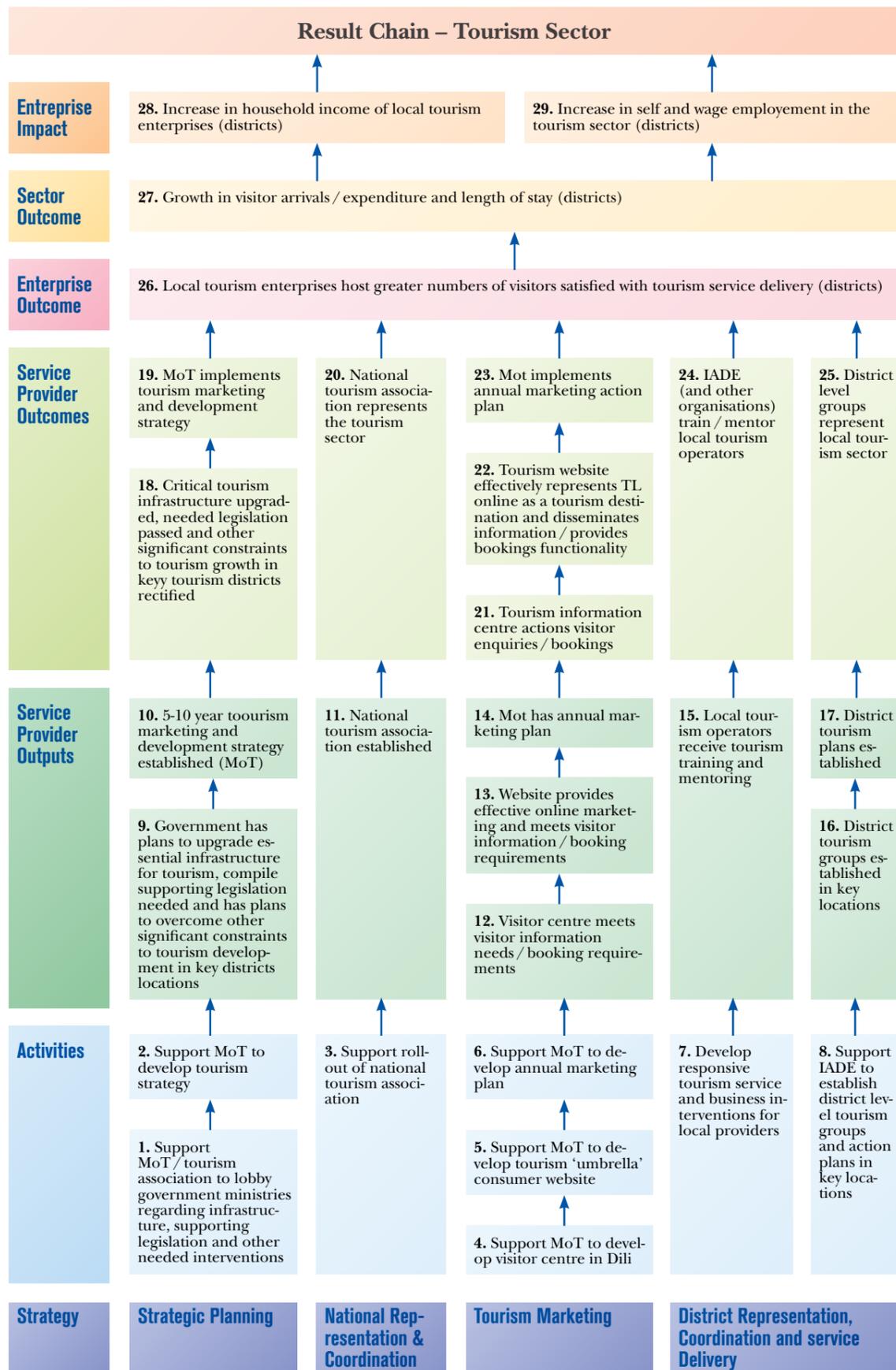
- **Tourism service providers (national / district):** Providers of accommodation, food services, transport, tourism operators.
- **Business development service providers:** The Institute for Business Support (IADE), delivering business development and information services in Timor-Leste, The East Timor Development Agency (ETDA) – a local training provider engaged to deliver tourism training programs.
- **Government:** Ministry of Tourism.

BOSS developed “theories of change” through detailed results chains to describe anticipated change through the four key intervention areas. The results chains provided the opportunity to check that the logic underpinning the theory of change held, and if not, whether the project needed to make adjustments. The original sectoral-wide results chain for tourism is shown below, showing impact ultimately that focused on increases in income and in self and wage employment.

Against this background, Section 2 discusses implementation of each intervention, progress made and the challenges BOSS encountered in this sector.



Hatubuliko, Ainaro district



Then what happened

Reality and intervention progress

The tourism sector in Timor-Leste is small and under developed and BOSSs activities represent initial steps to support its development. When the project commenced in 2011, it was decided to focus on the cattle and horticulture sectors, given the considerable infrastructure constraints impeding tourist movement around the country. Moreover, district stakeholders ranked the sector as a lower priority against agricultural sectors. At this time, there were greater numbers of “tourists” although these were essentially a captured market through the extensive presence of the UN peace keeping mission and other development partners in the country.

Support the development of a Tourist Visitor Centre

Information for tourists visiting Timor-Leste is scarce and there has been no central facility able to provide this for new visitors. The BOSS project supported the Government of Timor-Leste in their initial attempts to establish a Tourist Visitors’ Centre in Dili. The project engaged a Tourism Adviser who provided staff training, developed systems and procedures to link the Centre with Timorese providers (tour operators, guesthouses, car rental, etc) and develop key tourism information materials to be made available.

However, the Government did not provided the Centre with appropriate resources. The location of the Centre was not central or easy to find (including a lack of signage), staff did not have the requisite language skills (English and Portuguese), there was no telephone line and no funding was made available to rehabilitate the building, which subsequently suffered significant damage (the roof caved in) and was never repaired. Although to date very little has been done by the government to establish a proper Tourism Visitors’ Centre, BOSS has been informed there will be budget available in 2016 to recommence this development.

Support the establishment of a National Tourism Association

At the commencement of the project, there had been multiple attempts to establish associations in the tourism industry but none had succeeded, showing the overall fragmentation of the industry. Establishing a cohesive association has long been an interest from the Timor-Leste Chamber of Commerce as a way of getting the tourism sector working in a more cohesive way and better linked with the Ministry of Tourism. The Ministry of Tourism heard about the Chamber of Commerce seeking to instigate another attempt, with the support of BOSS, and decided to step in. Their involvement resulted in the Associação de Empresas de Turismo de Timor-Leste (AETTL – Tourism Business Association) being established through a single event, with pre-nominated “representatives” to vote for, largely coordinated and led by government. The establishment process was ultimately a determining factor in its demise.

Nevertheless, BOSS initially supported the Association, to promote increased membership and activity, provide mentoring, assist in developing a constitution and to help raise the profile of the Association in becoming a trusted lead body for the industry. In addition, BOSS also supported the development of a simple membership database. However, the Association never gained momentum, they remained fairly inactive, with an inability to engage a factional tourism industry competing in a small market, and has since remained dormant. The leadership was viewed as being ineffective in this challenging context and there was resentment from the way a Government Ministry was trying to ‘control’ a representative private sector. In reality there was a lack of engagement even with government. As a result, BOSS support to the Association has ceased.

Establish District Tourism Working Groups in key locations

BOSS has facilitated the establishment of two District Tourism Working Groups in Ainaro, encompassing subdistricts Maubisse / Hatubuliko, as well as the island of Atauro, two key areas of tourism potential in Timor-Leste.

The concept of the District Tourism Working Groups was to create coordination and representation at the local level – “to create a dynamic at the local level”⁷ – incorporating official, local enterprise and other community representatives in order to determine local priorities for tourism development and marketing and stimulate improvements. From the outset, the two groups differed significantly. In Atauro, stakeholders had already been exposed to tourists, had received long-standing support (approximately 10 years) from an international adviser and an international entrepreneur, both of whom were resident on the island. Because of the small but steady flow of tourists to the island, this meant a few more established businesses could rely on this as a primary source of income. The BOSS team reflected on the key differences in the two groups and success points, particularly noting existing experience with and exposure to tourists as well as a clear ability to make sufficient income from tourism, long-term mentoring, and leadership from within the local tourism industry. The project was, therefore able to build on these strengths. BOSS saw itself as “a catalyst – we came in at the right time”⁸. The group on Atauro demonstrated their experience early in the engagement, “we had this group that was very engaged and they had ideas, because they knew – they have experience.”⁹

On Atauro, the project identified two local people through Move Forward (from the northern part of the island, where the biggest fishing village was) as well as Roman Luan,

who are the most experienced local NGO on the island based in Vila, on the south-eastern coast. The approach was to ensure representation across the island. The Atauro Tourism Group (Grupo Turizmu Atauro) was established at a community workshop in March 2014 as a district level pilot project. Quite quickly, the group determined its purpose and key objectives and activities including destination marketing to increase the awareness of Atauro as a holiday location; mentoring and training of tourism operators to improve quality and consistency of tourism service delivery; and development of tourism experiences such as trekking, hiking and bicycling. Group representation includes the Sub-District Administrator, Chef de Sukus (5), private sector tourism operators and tourism focused local NGOs. By this time, the island noted an increase in “real” tourists.

To date, a number of group meetings have been held, a marketing plan approved and a range of marketing activities undertaken, community consultation undertaken, technical training delivered to the group by ETDA and business management training delivered by IADE. The project has mentored individual businesses, developed promotional materials, including a brochure, built up visual image resources (photo and video) and supported tourism development, particularly investing time to map out and document trekking options. Finally, a website promoting the tourism potential of the island has been successfully produced. Work has also commenced on building stronger linkages with transport operators to the Island. The government has also engaged with the group, showing recognition of the importance of this sector for Atauro and interest in its further development. Data around the tourism sector remains scarce, making planning challenging. BOSS completed a visitor satisfaction survey in Atauro, and developed a set of findings to support future planning.

The future of Atauro is poised for change, with the introduction of the



Special Economic Zone (ZEESM). With the facilitation of the BOSS Project, representatives have met with the tourism group as they undertake a master plan for the island, in which tourism is to feature as the main economic driver. Once developed, the Master Plan will be discussed in consultation with Atauro communities and businesses. At the time of writing, more transportation (boats / ferries) were being licensed to travel to Atauro, to enhance the flow of tourists. These recent developments have created a level of heightened uncertainty amongst communities on the island and work is being undertaken to develop a formal Association for the group to continue following the end of ILO support.

In contrast, the project reflected “it was a lot harder to get an ‘in’”¹⁰ in Maubisse. Initially, ILO inherited a group from BFZ, an arm of the Chamber of German Bavaria. BFZ had requested ILO to work with the group and at the initial meeting there appeared to be good local support and the tourism adviser was aware some small training activities already had been undertaken. (it was later found out that the members had attended because they thought they would receive money from ILO).

In a similar approach to Atauro, the group formed its objectives, which were not dissimilar to the island, including training and marketing. Indeed consistent requests for support included business training, English language training, hospitality and guiding. The Maubisse / Hato Bulico group met 3 times and, with a lot of assistance and

encouragement, developed an annual plan of activities. Members also received pilot tourism business management training from IADE. However, it became quickly clear that while the group members were happy to receive training, they were not prepared to put effort into attending meetings or in participating with other activities e.g. marketing. The group ultimately ceased through lack of participation and initiative from members. The key challenge in Maubisse / Hato Bulico is, simply put, the lack of tourists – “they are not exposed to tourism”¹¹. Tourists are usually those travelling through the area on route to southern locations and may simply stop at restaurants or perhaps spend one night in the area before moving on. Tourism “businesses”, therefore, mainly operate as a side business and are unable to justify further investment in an activity yielding little return. As pointed out, “you can’t expect people to invest time and resources unless there are visitors and vice versa.”

One vision BOSS initially held for the area was the reactivation of the local pousada, a guesthouse that is publically owned and privately managed, positioned in a highly desirable location in Maubisse town. This could become a ‘centre-piece’ for tourism development and activities in the area. However the management of the pousada was, at the time, fixed for a long duration and undertaken remotely from Dili. At the writing of this report, the pousada was undergoing a change in management, in negotiation with the government owners of the property. This may represent a new opportunity to engage in tourism development in the area.

7 Pes: Interview with Roberto Pes and Jenny Ikelberg, 25 August 2015

8 Pes and Ikelberg: Interview with Roberto Pes and Jenny Ikelberg, 25 August 2015

9 Pes and Ikelberg: Interview with Roberto Pes and Jenny Ikelberg, 25 August 2015

10 Jebson: Interview with Robyn Jebson, 24 August 2015

11 Pes: Interview with Roberto Pes and Jenny Ikelberg, 25 August 2015

Develop sector specific technical and business management training

Tourism service delivery in the districts is generally very weak and BOSS determined it would be necessary to institutionalise appropriate training in hospitality, tourism and tourism business management in Timor-Leste. The existing tourism training programs available in Timor-Leste were geared towards students and found to be unsuitable for enterprise level participants in the districts.

Following a selection process to engage a training service provider, the East Timor Development Agency (ETDA) was chosen as an established provider, amongst a range of others in Dili. ETDA was engaged to develop curriculum and specific modules for a tourism training program specifically targeted to small tourism operators in the districts, particularly restaurants and guesthouses. A New Zealand volunteer was engaged to support the development of module 1 and a tourism training expert was engaged by BOSS to support the development of module 2 and 3. The training was designed to be practical and applicable for the realities facing tourism operators in the districts. ETDA doesn't operate in the districts and participants are largely unable to pay for training, so it was envisaged that the program could subsequently be subsidized by other organisations and shared with other training providers in order to increase reach across the country. BOSS observations report that some of the content from the newly developed program has been used by ETDA in their longer-term programs and that there is evidence of their willingness to share the program to spread into the districts, through their interest in running ToTs for other institutes and a recent request to BOSS for support to print hundreds of hard copy modules for this purpose.

To date ETDA has developed and delivered three modules of tourism training and a follow-up mentoring program – an introduction to tourism, tourists, basic hospitality and food preparation and

service skills, and managing reception and housekeeping – to the two district groups plus two additional training groups in Baucau and Maliana in 2014, 2015 and 2016. Feedback from those attending the training was that participants found it easy to understand and it was very relevant to what they do on a day-to-day basis. The group on Atauro has already requested the training to be run again for other participants.

This training package has now been finalised, and is in the final stages of graphic design, with a view to launching the final materials in early November.

ETDA has expressed a keen interest to continue working on district-based training initiatives, and also consider the program delivery to have been very successful.

The follow-up mentoring program has also shown very positive results in both Atauro and Maubisse, assisting businesses to use the skills developed in the training to develop action plans. This has provided a critical link between the training delivery, and the evidence of tangible changes and improvements to business practices.

To further support small tourism operators develop their businesses, BOSS has supported IADE to adapt ILO's business management training program. These include Generate Your Tourism Business Idea and Start and Improve Your Tourism Business. IADE staff received ToT for the training and delivered a pilot in Maubisse and Atauro in 2015. Anecdotal feedback suggested the level of training may be too complex for some enterprise level participants. Once pilot trainings are completed, the modules will be finalized and published and are to be made available online. IADE has also supported tourism group development, providing training on Business Group Formation for Tourism Working Group in Maubisse.

Supporting the Government to develop Tourism for Timor-Leste

An MOU between MOT and MECAE was signed in 2014 regarding ongoing

collaboration, particularly around destination marketing for Timor-Leste, to be developed in collaboration with the private sector. The MoU coalesced around the main pillars of the BOSS' intervention in the sector. In the framework of the MoU, the BOSS project committed to support IADE and MoT in the following areas: assist the development of Tourism Development Groups; facilitate the establishment of a Timor-Leste Tourism Business Association; support the MoT in the establishment of a Visitors' Information Centre and assist the MoT in the development of a marketing/branding strategy.

In collaboration with the Department of Marketing at the Ministry of Tourism, BOSS facilitated a public-private dialogue to start discussions on a national tourism marketing/branding strategy in late 2014. Participation was very positive and engaged, with attendees including private tourism operators (including hotels, tour operators, diving operators) and government representatives from the Ministry of Tourism (3 Directors and the Principal Adviser to the Minister).

The clear outcome was an agreement for the Ministry to develop a marketing and branding plan, to then present for consultation and input from the tourism industry. To date, this agreement has resulted in two initiatives that the BOSS project has been able to support.

In mid-2016 two technical consultants were engaged to collaborate with MECAE, MOT and other key stakeholders to develop a national tourism policy. The aim of this policy is to assist the Government to clearly articulate an agreed direction for the future of tourism in Timor-Leste, and use this document to define the key steps and time horizons for making critical progress in this area. A draft of this policy has been circulated to the Government, MECAE and MOT, and is awaiting final approvals and ratification from these key stakeholder groups.

BOSS has also been able to assist in a collaborative effort to develop a national tourism website. It is envisaged this website will begin to define some of the marketing and branding objectives described above, and provide a basis for potential traveler research and planning. This website is now in the final stages of development, and is due for completion in November.

Other initiatives

Over the course of the work in the tourism sector, the project has assisted a range of other stakeholders including The Asia Foundation, USAID, DFAT, the World Bank and various Embassies. BOSS has been approached by potential investors and local tourism operators for advice. Assistance was provided to local NGO, Haburas, to develop marketing plans for them to assist district based cooperatives with their tourism businesses.



School of dolphins in the waters between Dili and Atauro island

What we learned

Government buy-in to tourism development

Tourism, particularly in a post-conflict nation such as Timor-Leste, requires a significant role to be played by the government.

The greatest constraint to progress on tourism development activities within the BOSS project was at the macro level. The Ministry of Tourism, at this stage, has allocated very limited resources to policy development. This is compounded by a lack of destination marketing and lack of essential tourism infrastructure, such as the availability of a well-resourced Tourist Visitors' Centre in Dili.

A major impediment for the sector is, simply put, the very limited number of genuine tourists. However, the governments' marketing strategy for Timor-Leste as a tourism destination remains unformed. Timor-Leste Strategic Development Plan highlights eco-tourism as a theme, however this priority is not reflected in the budget allocations to tourism activities.

Approaching local tourism development

In the challenging political context for the development of the tourism sector, BOSS found that progress can nonetheless be made locally through district level initiatives. The clear lessons for BOSS in working with tourism operators at the local level include:

- Work with communities that have a relatively steady tourism stream already, and therefore incentive to improve.
- Partnering with communities already exposed to tourism serves as a springboard for effective engagement.
- Engagement and investment needs to be over long periods of time.
- Working with local "champions" is a way to gain strong coordination, cohesion and buy-in.

- Projects should be careful not to overload small tourism operators with activities.
- Targeted training at an appropriate level can be effective and is sought after by local tourism operators.

The key challenge going forward for the sector overall is the lack of a cohesive representative body. The Government has to be the main driving force and in that process develop a way for the private sector to link in and partner. More recently the Government has indicated a stronger desire to develop and drive tourism in a partnership of this kind. Implementing the recommendations of the newly drafted tourism policy will greatly assist with this challenge.

Timor-Leste, especially in the districts, desperately requires more jobs and dollars. Growing tourism could definitely assist. Timor-Leste needs to clearly identify what it can offer as a tourism destination, how it can be competitive in the marketplace and then come up with a plan of action and start implementing this. To be successful, there needs to be clarity about what the main drawcards are – people won't come to Dili for a holiday – but they will visit to dive pristine reefs, to experience traditional village life and to trek the rugged interior – in this process it is important Dili and districts work together and essential the environment and culture are protected.

The national tourism policy and the new tourism website are first steps towards achieving these longer-term goals and signal a move in a very positive direction for the future of tourism in Timor-Leste. Implementing the vision set out in the new tourism policy and working hard to develop strategies and action plans that underpin the goals of the policy will hopefully demonstrate the Government's commitment to the future of tourism for the development of the nation.



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