



TIMOR-LESTE TOURISM REBOOT INITIATIVE: A PROACTIVE PLAN FOR THE AFTER-CORONA ERA

USAID'S TOURISM FOR ALL PROJECT

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ACRONYMS

ACE	After-Corona Era
ADR	Average Daily Rate
ATM-TL	Marine Tourism Association Timor-Leste
GOTL	Government of Timor-Leste
HOTL	Hotel Owner's Timor Lorosae
IATA	International Air Travel Association
ICETD	International Conference on Emerging Tourism Destinations
MFI	Micro Finance Institutes
MSE	Micro and Small Enterprises
MTCI	Ministry of Tourism, Commerce and Industry
OECD	Organisation for Economic Co-operation and Development
REVPAR	Revenue Per Available Room
TBEH	Turizmu Ba Ema Hotu
TLTRI	Timor-Leste Tourism Reboot Initiative
UNWTO	World Tourism Organisation
WHO	World Health Organisation
WTTC	World Travel and Tourism Council

EXECUTIVE SUMMARY

The COVID-19 pandemic and associated declaration of a State of Emergency has had a devastating impact on Timor-Leste's already lackluster tourism sector. For many, eking out a living during this 'hibernation' period is increasingly difficult. This all happening at a time when oil prices are at historical lows and the need for Timor-Leste to diversify its economy is paramount.

Albeit comparatively small, Timor-Leste's tourism value chain (restaurants, hotels, souvenir shops, tour and transportation operators, and farmers) has been significantly impacted by the Coronavirus as domestic and international demand for their products and services have contracted substantially. In most cases, micro and small enterprises (MSE) associated with the hospitality and tourism sector are struggling to remain solvent and retain their staff and will inevitably face liquidity challenges throughout 2020.

The reality is that global tourism will be hard hit throughout 2020 and beyond, even if the spread of the virus is brought under control in the coming months. Current Organisation for Economic Co-operation and Development (OECD) estimates point to 45% decline in international tourism in 2020, rising to 70% if recovery is delayed until September¹. The World Tourism Organisation (UNWTO) on 26 March estimate that international tourism arrivals could be down by 20% to 30% compared with 2019. The World Travel and Tourism Council (WTTC) forecast on 25 March that 75 million jobs are at risk globally. The International Air Travel Association (IATA) predicts that airlines are unlikely to see a return to pre-crisis travel levels before the start of 2021, while hospitality data company STR estimates that return to pre-crisis levels will not occur before 2022.

The UNWTO reported in early May that 100% of all destinations worldwide have introduced COVID-19 related travel measures limiting or interrupting entirely the access to their territories for tourists - **an historical and unprecedented situation**².

These dire conditions are being felt across the globe as consumers, businesses, governments and societies brace for a new normal that will emerge in the 'After-Corona Era' (ACE), where there is likely to be a tighter connection and balance between human needs and economic progress; and between our environmental needs and economic prosperity.

For the hospitality and tourism industry, it will be about how we serve *people* differently with the inevitable changes that will take place in the way people eat in restaurants, stay in hotels and fly on airplanes. Strategies to redesign tourism experiences, services and Destination Timor-Leste must be rebooted ahead of the ACE to come.

This pause can be a silver lining and lead to a new beginning and reimagination of how tourism in Timor-Leste can be more robust, profitable, sustainable and impactful in the future. This is an opportunity to galvanize tourism stakeholders and reboot tourism in alignment with the

¹ OECD (2020), Tourism Policy Responses, 15 April 2020.

² UNWTO (2020) COVID-19 Related Travel Restrictions A Global Review For Tourism (28 April 2020)

National Tourism Policy. When shelter-in-place orders are lifted and business reopen their doors a new chapter will begin for Timor-Leste tourism.

USAID's Tourism For All Project commenced implementation in 2018 with a vision of promoting Timor-Leste's competitiveness as an international tourism destination while preserving its unique environmental and cultural heritage. Over the past two years, the underlying achievement of the Project has been to support the Government of Timor-Leste (GOTL) in implementing its National Tourism Policy that was ratified in 2017. To ensure continuity in implementation of the National Tourism Policy and the recently drafted Timor-Leste Tourism Development Strategy and Implementation Plan, the Project has produced this concept paper on behalf of the Ministry of Tourism, Commerce and Industry (MTCI).

This concept paper presents a strategic crisis-action plan for Timor-Leste's tourism sector to counter the impacts of COVID-19 and prepared for the ACE. It is presented in five sections.

- Section one contextualizes the pandemic crisis and its impact on international tourism.
- Section two illustrates best practice examples of how destinations across the globe are managing the dynamics of the crisis and planning for the ACE of travel.
- Section three provides anecdotal stories of how the current State of Emergency instigated by the health crisis is affecting tourism stakeholders in Timor-Leste and summarizes COVID-19 Tourism Impact Survey conducted by the Project.
- Section four connects global best practice and Timor-Leste's unique situation, leading to a Timor-Leste Tourism Reboot Initiative (TLTRI), which requires further development under the leadership of MTCI.
- Finally, in section five, an outline of assistance that USAID's Tourism For All Project will provide to help navigate the uncertain times is provided.

The next stage of the COVID-19 pandemic will be to learn how to live with the virus until a cure or vaccine is available. This will be the beginning of a period where global commercial activities carry on in very changed ways. COVID-19 could be with us for years ahead through "second waves" of contagion and the minimum 3- to 5- year period that may be required to develop, test, and distribute a *COVID-19* vaccine globally.

Key take-aways and matters of urgency are summarized below:

- The international tourism industry will change as a result of COVID-19 and Timor-Leste's tourism framework documents and operating/governance structure should be reviewed to ensure relevance in the ACE.
- An recovery initiative such as Timor-Leste Tourism Reboot that is founded on the National Tourism Policy and National Tourism Development Strategy and Implementation Plan, will help guide tourism development for the coming years.
- Timor-Leste tourism gateways, hotels, restaurants, and attractions will need to adopt 'best practice' for combatting the spread of COVID-19.
- The precarious situation of the global and regional aviation industry will change how airlines operate and as a matter of utmost national importance Timor-Leste requires an air services strategy and plan.
- Health and safety will form a significant part in many international travelers' decision in the ACE and Timor-Leste needs to ensure the availability of good quality medical service for Timorese people and foreign tourists when the need arises.

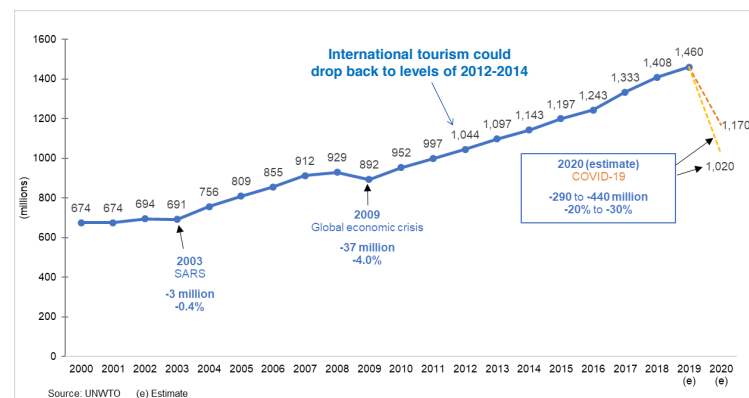
SECTION NO. I

GLOBAL TOURISM CONTEXT

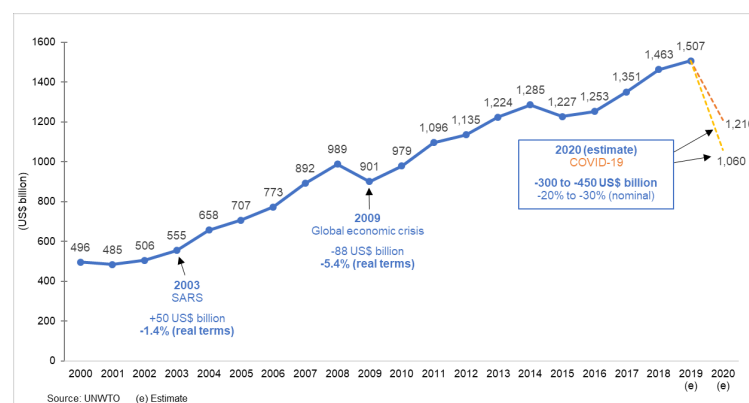
United Nations World Tourism Organization (UNWTO) estimates that in 2020 global international tourist arrivals could decline between 20-30%, down from an estimated growth of 3% to 4% forecast in early January 2020. This could translate into a loss of US\$300-450 billion in international tourism receipts, which is almost one third of the annual US\$1.5 trillion the sector generated globally. However, considering the evolving nature of the situation, it is too early to estimate the full impact of the COVID-19 on international tourism. For its initial assessment, UNWTO takes the SARS scenario of 2003 as a benchmark, factoring in the size and dynamics of global travel and current disruptions, the geographic spread of COVID-19 and its potential economic impact. Going forward in the coming months, there is a critical need for balancing measure to ensure business survival, liquidity measures and demand stimulus.

The two tables below provide an overview of the impact of COVID-19 on international tourism arrivals and receipts.

2020 forecast - international tourist arrivals, world (millions)

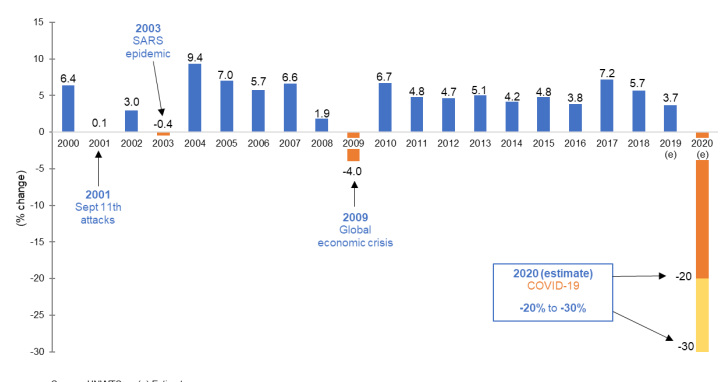


2020 forecast - international tourism receipts, world (US\$ billion)

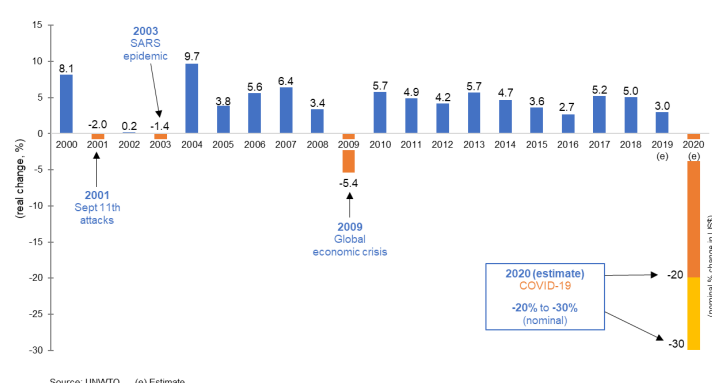


The two below tables provide a comparative scenario of the impact of COVID-19 versus other past global crises on international tourism arrivals and receipts.

2020 forecast - international tourist arrivals, world (% change)



2020 forecast - international tourism receipts, world (real change, %)



These are clearly unprecedented times for an industry that contributes 10.4% of global GDP and 10% of all jobs. As a person-to-person sector, tourism is uniquely vulnerable to crises that cross borders. In this instance:

- The closing down of entire cities and countries, travel restrictions and bans have brought the tourism and transport sectors to a standstill.
- From the biggest airline to the smallest hotel in a rural community, the sector has been halted.
- The impact is as much economic as it is social, affecting the livelihoods of tourism and transport workers and suppliers, as well as their families and whole communities.

Southeast Asia and the ASEAN Member States have experienced major losses to their tourism economies, many of which are highly developed and central to their national economic expansion strategies. According to STR, a global hospitality research organization, hotels across ASEAN suffered significant year-on-year declines in all major operating indicators³. The table below provides operating performance for major destinations across ASEAN. Occupancy rates have declined by more than 50% in March 2020 as compared to March 2019. Average Daily Rates (ADR), which measure the average US\$ earned across all of the rooms

³ STR Report, ASEAN Hotel Review (16 April 2020)

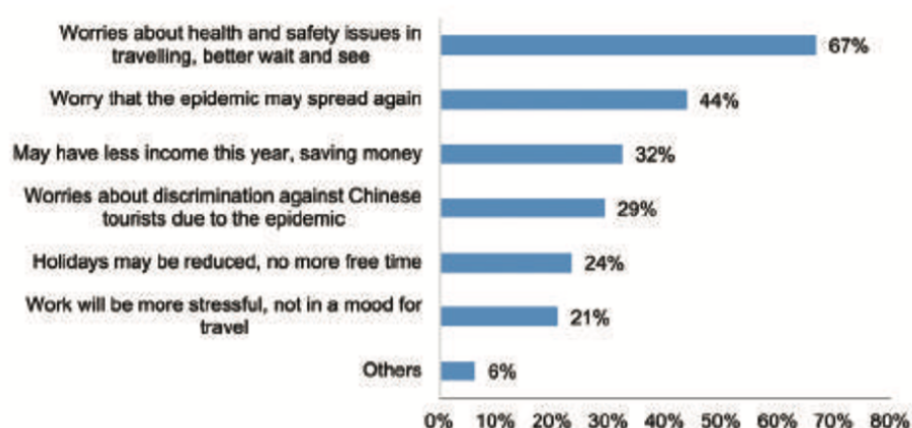
sold, declined upwards of US\$20. The critical Revenue Per Available Room (REVPAR), which measures revenue earned across all rooms in the inventory, declined by US\$50-70.

Comparison (Jan-March) of Hotel Performance in Major ASEAN Destinations (in US\$)

Destination	Occupancy (%)		ADR (US\$)		REVPAR (US\$)	
	2020	2019	2020	2019	2020	2019
Bali	25.7	62.6	74.50	89.14	19.12	51.52
Phuket	34.2	80.2	104.11	126.71	35.62	101.68
Singapore	38.3	82.5	149.01	193.73	33.71	71.00
Kuala Lumpur	23.7	66.7	67.52	80.24	15.98	53.54
Manila	36.3	69.8	92.87	101.88	33.71	71.09
Bangkok	26.8	80.5	85.17	106.58	22.80	85.77
Hanoi	26.6	76.9	102.74	127.19	22.54	97.85

ADR = Average Daily Rate; REVPAR = Revenue Per Available Room

Pacific Asia Travel Association (PATA) in partnership with Ivy Alliance Tourism Consulting and China Comfort Travel Group carried out a market survey, aiming at understanding Chinese tourists' intent and needs to travel after the end of the global pandemic. The total sample size was 1,252 Chinese travelers who provided responses via a questionnaire⁴. Tourists surveyed generally hope that travel agencies and destinations can do a good job of health and safety protection, take necessary measures to ensure the health and safety of tourists during travel, and provide information such as destination country or region's epidemic risk situation and hotel sanitary conditions. The table below provides an insight into the preconditions and concerns the survey respondents cited were they to resume travelling internationally. These sentiments, no doubt resonate not only among Chinese, but other Asian and international travel consumer markets. This indicates that in the future destinations will need to build confidence in their ability to provide an expected level of duty of care to their tourists.



⁴ Survey Report on Chinese Tourists' Travel Intent After the End of COVID-19 Epidemic (March 25, 2020). Available at www.pata.org/store/publications/survey-report-on-chinese-tourists-travel-intent-after-the-end-of-covid-19-epidemic/

OPPORTUNITIES OUT OF CRISIS

Admittedly we are in a crisis situation. Yet, as the Chinese characters for ‘crisis’ (危机) indicate - the first character means “danger” and the second “opportunity” – opportunities will follow the present danger period. But how?

Danger

The global tourism industry will experience turbulent times for the foreseeable future. There will be bankruptcies across ASEAN and psychologically people are likely to refrain from traveling for some time after the pandemic is contained. During this time the tourism industry here in Timor-Leste must work together to mitigate 1) health dangers and 2) a likely business slow down. Knowledge sharing, communication and cooperation is critical at times like this.

Opportunity

Tourism has a proven capacity to bounce back and drive the recovery of other sectors. Following the global economic crisis of 2009, while employment across all economic sectors grew by 11% between 2010 and 2018, employment in accommodation and restaurants grew by 35%. Tourism is a major employment engine for more vulnerable groups such as women and youth. In 2019, the sector represented 30% of the world’s exports of services (US\$1.5 trillion) and up to 45% of the total export of services in developing countries. Tourism contributes directly, and through its multiplier effect also indirectly, to global job creation and economic recovery. Past crises have shown tourism’s capacity to bounce back strongly and quickly after external shocks. Mitigating the impact of the crisis and stimulating tourism recovery can pay massive returns across the whole economy. Tourism is a facilitator of cultural exchange, mutual understanding and peace. It counters discrimination and prejudice between individuals and societies.

The current situation presents an opportunity to work together and prove that there is strength in numbers when it comes to building tourism in Timor-Leste. **A strong pivot to tourism as a priority development sector will diversify the Timor-Leste economy, create jobs and generate foreign exchange earnings – all are needed in the ACE period that the country will enter in the coming months.**

USAID’s Tourism For All Project, in partnership with the Ministry of Tourism, Commerce and Industry, is well positioned to help galvanize the country’s community of practice across the tourism value chain to ensure that ‘opportunities’ outweigh ‘dangers’ for Timor-Leste tourism.

SECTION NO. 2

GLOBAL GOOD PRACTICE IN COVID-19 RECOVERY

The UN World Tourism Organization has issued guidance to member states, such as Timor-Leste, on how to mitigate impacts of the crisis across three thematic phases⁵. They build on inputs from countries in all world regions, as well as from international organizations and private sector associations. These recommendations aim to support governments, the private sector and the international community in navigating the unparalleled social and economic emergency that is COVID-19.



Interestingly, many of the suggestions issued by UNWTO were also stated in the survey USAID's Tourism For All Project conducted. Below is a summary of each phase and respective activities that a destination should consider.

Phase 1: Managing the Crisis and Mitigating the Impact

Millions of livelihoods across the world are directly and indirectly dependent upon travel and tourism. As such, the UNWTO recommended measures are of the utmost urgency and should be implemented immediately, especially those related to providing timely, targeted, and temporary relief to the most affected people and firms for as long as the emergency lasts. UNWTO also emphasizes the importance of supporting businesses economically and fiscally and of restoring confidence in the sector. Above all, support should be given to sustain jobs. Where this is not possible, every effort should be made to protect workers and create new opportunities, particularly for vulnerable groups.

Phase 2: Providing Stimulus and Accelerating Recovery

Due to the sudden, unprecedented fall in demand triggered by the COVID-19 pandemic, the travel and tourism sector will require financial stimulus to support recovery. Levels of required stimulus may vary across the whole of the tourism value chain. Without prejudice to fair competition, by ensuring transparency and where it is feasible, priority should be given to supporting businesses of all sizes, including through favorable tax policies and stimulus packages. This opportunity should also be taken to place tourism at the center of national policies and ensure sustainability is an integral part of the sector as it recovers and grows again.

⁵ World Tourism Organization (2020). Supporting Jobs and Economies Through Travel & Tourism - A Call for Action to Mitigate the Socio-Economic Impact of COVID-19 and Accelerate Recovery. Madrid, Spain.

Phase 3: Preparing for the Future

Tourism has the potential to recover and once again establish itself as a key part of national economies and of the wider sustainable development agenda. This crisis may also offer a unique opportunity to shape the sector to ensure it not only grows but it grows better, with inclusivity, sustainability and responsibility prioritized. Furthermore, to build for the future, special attention should be placed on building resilience and on promoting sustainability at all levels.

SITUATIONAL ANALYSIS OF TIMOR-LESTE TOURISM

BACKGROUND

In March 2017, the GOTL approved a National Tourism Policy, entitled *Growing Tourism to 2030-Creating a Sense of National Identity* with a vision that by 2030 the country will have a vibrant tourism sector that makes a significant contribution to employment across the country; is economically, socially and environmentally sustainable; helps promote a positive image of Timor-Leste overseas; and is an industry that people wish to work in.

The Tourism Policy posits five overarching themes (P's) through which government, industry, civil society, academia, and development partners should view tourism and focus their efforts in order to achieve the goal of sector prosperity and sustainability for Timor-Leste.

- The tourism sector is viewed as a **priority** pillar of economic development that is embraced by government, the private sector, and civil society.
- The tourism sector produces **prosperity** through linkages with local industries, delivery of employment opportunities, and the creation of profitable ventures.
- The tourism sector supports the **protection** of the natural environment and unique cultural heritage of the country, ensures sustainable development, and guarantees duty of care of international visitors.
- The tourism sector is characterized by a range of public and private **partnership** arrangements that stimulate, develop and grow a diverse portfolio of tourism products and services.
- The tourism sector is serviced by **people** that are trained and educated to internationally recognized standards to ensure a quality visitor experience.

Headline goals of the Tourism Policy are that by 2030 Timor-Leste will welcome 200,000 international tourists annually, earn the country USD 150 million in revenues and directly employ 15,000 workers. Furthermore, the Tourism Policy underpins an ethos of ensuring that social, economic, and environmental sustainability is central in order to maximize the future competitiveness of the country as a visitor destination.⁶

In order to reach the goal of 200,000 visitors by 2030, and based on available and validated historical data (up to 2016), projections of international tourist arrivals have been extrapolated as defined in the below table.

ESTIMATED INTERNATIONAL TOURIST ARRIVALS 2012 – 2030

	Tourist Arrivals	Growth %
2011	36,209	
2012	34,902	-3.6%
2013	44,146	26.5%
2014	48,986	11.0%
2015	61,037	24.6%
2016	71,680	17.4%
2017	77,131	7.6%
2018	82,996	7.6%

⁶ Government of Timor-Leste (2016). *Growing Tourism to 2030-Creating a Sense of National Identity*. GOTL, Dili.

2019	89,308	7.6%
2020	96,100	7.6%
2021	103,408	7.6%
2022	111,271	7.6%
2023	119,733	7.6%
2024	128,838	7.6%
2025	138,636	7.6%
2026	149,179	7.6%
2027	160,523	7.6%
2028	172,730	7.6%
2029	185,866	7.6%
2030	200,000	7.6%

Even prior to the Coronavirus pandemic, Timor-Leste faced many challenges in kickstarting its tourism sector. Some of these include:

- The Government of Timor-Leste is not fully committed to prioritizing tourism as a diversification strategy, due in large part to a long-standing political impasse;
- It is largely an unknown destination and it will take time to build up international visitor arrivals through a combination of targeted tourism marketing / development;
- Ensuring those few visitors that are arriving receive a satisfying / good value holiday experience is a challenge given the lack of skilled labour;
- High cost of holidaying in Timor-Leste, both air access and land costs, charged in USD are a deterrent to foreign travellers given the plethora of cheaper regional options;
- Challenges in travel time required compared to competing neighbouring destinations;
- At a domestic level, there is potential to increase the number of people visiting the municipalities for holiday. Such visitation will continue to be mostly weekend / public holiday concentrated. The expats working in Timor-Leste have the most potential in terms of booking commercial accommodation in district locations as Timorese tend to stay with family when travelling and do not usually engage in commercial recreational activities. Those Timorese who can afford and want to holiday in commercial accommodation are much more likely to go to places abroad, like Bali.

The current State of Emergency and global halt of tourism has further exacerbated these challenges, which can only be mitigated by swift and deliberate action on the part of government, industry and civil society. Otherwise, there is a risk that tourism may never gain traction in the country and contribute to job creation, foreign exchange earnings and poverty alleviation.

VOICES FROM THE TRENCHES: HOW THE CRISIS IS IMPACTING TOURISM BUSINESSES IN TIMOR-LESTE

Through multiple discussions with enterprise owners and operators in Timor-Leste's main tourism hubs, USAID's Tourism For All was able to gather stories and opinions that help describe how the COVID-19 crisis is impacting the tourism sector in the country.

Since the start of 2020, the Hotel Owner's Timor Lorosae (HOTL) Association estimates that the country's hospitality and tourism industry has suffered a **95% reduction in sales revenue** due to reduced domestic consumption and massive decline in air, land and sea transportation. This is putting unprecedented strain on restaurants, hotels and travel companies to keep their doors open, retain their staff and pay their basic operating costs (i.e. rent, utilities).

A spokesperson for a leading women's business association in the country stated, "it is important to emphasize that, TL economy since 2016/17 is struggling due to consecutive

elections and political uncertainty, reflecting strong restriction in public investments, which has contracted significantly TL economy. The COVID19, is turning the things worst. **Will be unbearable if no immediate action is taken**". The spokesperson goes on to say "the other huge challenges, are the public services which are running in lower pace, and the public policies to support private sector in this emergency period, are not in place due to lack of information and mechanism to implement those at frontline level".

A local hotelier identified several challenges facing her establishment. In particular, she highlighted the need for **more clear guidelines and assistance from the GOTL** in relation to the labor law, tax/social security payments, and awareness of COVID-19 to reduce fears within the community. She also expressed her dismay at the misinterpretation of the State of Emergency decree. "Our local community police officer has regularly tried to impose conditions outside of the decree. On the first day of the State of Emergency he shouted at our only three customers insisting they leave the beach immediately. At least once a week he arrives on his motorbike and shouts at customers telling them to move apart and insisting that everyone puts on masks on the beach. Clarity in rules would help businesses like ours to adapt in accordance with the decree."

A local restaurateur stated that the most important assistance that her restaurant requires is **clear information about the policy position of GOTL**. "Quick, specific and consistent information and communication about COVID-19 economic response measures will enable small tourism businesses like mine to plan for 2020 and 2021. In the absence of good information dissemination in which the GOTL speaks in one voice, tourism businesses that might have been able to survive through 2020 may close prematurely and their business experience will be lost for 2021 and beyond."

A local operator, whose **dive business has declined 100%** stated, "considering the ongoing struggle the tourism industry in Timor-Leste has been facing on the recent years due to exorbitant flight prices, minimal public infrastructure investments (even small scale ones such as a jetty for people to board boats in the Dili harbor), delayed decisions on regulations, such as whale tourism guidelines, this could be seen as an opportunity for the country's tourism sector to be one of sparkles in the economy. However, this requires a change in mindset of the potential for tourism to contribute to the economy." He continues, "think of tourism as an investment opportunity to boost the country's economy – and interlink it with other sectors, like conservation, infrastructure development and education."

A leading handicraft supplier and merchant explains that his **retail shops are closed and that artisans from communities across the country have stopped activities** as they are staying at home and are unable to sell their products. "We estimate that although the State of Emergency may last only one month or even a bit more, in reality, the recovery for our activity may take much longer because it is dependent on the return to normal economic activity and the return of visitors and residents. This will most probably take some time, it will not happen immediately after the State of Emergency. The capacity of our company to cover staff salaries without income will be exhausted in the coming months."

One of the country's top inbound tour operators reported that all of the group tours booked for 2020 had been cancelled. "When COVID-19 emerged, it was the beginning of the main touring season so the financial impact has been greater than at any other time in the year. We were proactive and communicated to all our customers. We took the position that we would provide full refunds to the majority of our customers. We feel that this maintained good relationships with our customers, confidence in our company and Timor-Leste as a destination. **We are no longer receiving any tour enquires** and will close our offices at the end of the month and store our equipment. We are not renewing employment contracts, but have made a commitment to provide a monthly allowance to our core staff for the next

6 months so they continue to have some income.” She asserted that the biggest challenge now is “how to put the business into hibernation so it can be re activated when the crisis is over”.

A development partner with a portfolio that includes tourism stated, “in principle, it might help to **restart the conversation about tourism**. But considering the many other immediate priorities of the government in the current context - public health, economic recovery, political impasse, budget approval - I worry if tourism will get the necessary attention.”

It is clear from these insights and observations from the trenches of Timor-Leste’s tourism industry, that the sector is and will continue to be heavily impacted by the COVID-19 pandemic and ensuing State of Emergency. The extent to which businesses, many of which are owned and managed by Timorese, will survive in the ACE will depend heavily on the development and implementation of policy measures and recovery plans by GOTL to rescue its fledgling tourism industry.

SECTION NO. 4

TIMOR-LESTE TOURISM REBOOT INITIATIVE

CONCEPTUAL APPROACH

In order to support the recovery and growth of Timor-Leste tourism, it is recommended that a Tourism Reboot Initiative be established through the leadership of the MTCL and efforts of public, private, civil society and NGO institutions and organizations. This chapter provides suggestions on how to bring tourism to the forefront of the Timorese economy.

Garnering from UNWTO international good practice outlined in Section Three and Annex I of this report and informed by the in-country situational analysis presented in Section Four, the Timor-Leste Tourism Reboot Initiative proposes a path to pivot the sector to new heights.

Importantly, the TLTRI is aligned with the five overarching themes (P's) of the National Tourism Policy and the Timor-Leste Tourism Development Strategy and Implementation Plan to help facilitate further planning by the GOTL. Furthermore, the TLTRI follows the UNWTO three-phased guidance for member states to recover from the COVID-19 Pandemic and contextualizes it into Timor-Leste's circumstances. It also provides indicative timing of the three phases that notably overlap throughout the remainder of 2020.

The first step in kickstarting the Timor-Leste Tourism Reboot Initiative is to start a conversation about tourism through dialogue and consensus seeking – the primary intent of this paper. At the same time a high-level Tourism Task Force/Think Tank representative of government, industry and civil society should be formed to guide the development and implementation of the Timor-Leste Tourism Reboot Initiative.

Phase I: Respond

Managing the Crisis and Mitigating the Impact (March-June 2020)

Timor-Leste became inundated with COVID-19 related information, particularly through the early warnings by the World Health Organization (WHO) throughout the month of March

CONFIRMED COVID-19 CASES AND DEATHS IN ASEAN



	Total Cases	New Cases	Total Deaths	New Deaths	Total Recovered
Singapore	10,141	+1,016	11	0	839
Indonesia	7,418	+283	635	+19	913
Philippines	6,710	+111	446	+9	693
Malaysia	5,532	+50	93	+1	3,452
Thailand	2,826	+15	49	+1	2,352
Vietnam	268	0	0	0	222
Brunei	138	0	1	0	117
Cambodia	122	0	0	0	110
Myanmar	121	+2	5	0	7
Lao PDR	19	0	0	0	4
ASEAN	33,295	+1,477	1,240	+30	8,709

*Source: WHO et. al. as at 7:00PM GMT +8 dated 22 April 2020.

culminating in the declaration of State of Emergency on 27th March, which included measures such as forbidding movement in some areas, reducing non-essential services, and mandating the closure of some kinds of businesses. The border was closed on April 13th to all travelers including foreign national and Timorese citizens and residents.

As of April 28th, the Integrated Crisis Management Center (CIGC) reported a total of 24 confirmed cases of COVID-19 but luckily

there is no evidence of community transmission at this time.

It is essential for the GOTL to continue to monitor how the disease is expanding and contracting across Timor-Leste and regionally, particularly Southeast Asia. The World Health Organization is an important source of knowledge and information exchange. It is also extremely important that the GOTL continue to enforce restrictions for the general population to stop the spread of the virus and ensure public safety.

Thousands of livelihoods across Timor-Leste are directly and indirectly dependent upon travel and tourism. As such, support should be given to protect jobs and sustain livelihoods. Supporting businesses economically and fiscally and restoring confidence in the sector is essential. The GOTL has already initiated economic stimulus activities that are currently being rolled out. It is essential that precise and timely information is disseminated on how individuals and businesses can tap into this support. These measures are of the utmost urgency and should be implemented immediately, especially those related to providing timely, targeted, and temporary relief to the most affected communities and businesses for as long as the emergency lasts.

'Beyond the medical crisis', it is important that an approach to tourism in the ACE is considered. This concept paper proposes a pathway that aligns with the National Tourism Strategy and the Timor-Leste Tourism Development Strategy and Implementation Plan, which is currently being finalized. The Timor-Leste Tourism Reboot Initiative should be refined through stakeholder consultation and an action plan agreed upon. In conjunction with the Timor-Leste Tourism Development Strategy and Implementation Plan, the entire government and private sector apparatus should be mobilized to elevate tourism's ranking in Timor-Leste's development priorities – Priority is key premise of the National Tourism Policy.

The early establishment of a Timor-Leste Tourism Think Tank/Task Force is strongly recommended. Such a body would be comprised of government, industry, civil society and development partner representatives, working in concert to analyze and debate emerging ACE challenges and opportunities and to guide and coordinate sector recovery efforts.

Phase 2: Restart

Providing stimulus and accelerating recovery (June-September 2020)

Due to the sudden, unprecedented fall in demand triggered by the COVID-19 pandemic and the ensuing State of Emergency, Timor-Leste's tourism sector will require financial stimulus to support recovery. Levels of required stimulus may vary across the whole of the tourism value chain. Without prejudice to fair competition, by ensuring transparency and where it is feasible, priority should be given to supporting businesses of all sizes, including through favorable tax policies and stimulus packages. Additional liquidity measures should be taken to assist tourism and hospitality businesses access working capital and business development funding to continue operations as the industry restarts. This may include interest free loans from the central and private banks backed by State guarantees.

During this phase, it is important to assist the tourism industry understand how to ensure worker and visitor safety as businesses re-open. Cleaning, disinfecting, and social distance guidelines should be established and a possible "Clean and Safe" certification program could be implemented to provide consumer confidence. Guests will want to see more procedures in place to ensure safety through temperature readings, hand-sanitizer stations, and lines drawn to practice social distancing. Masks will be part of life and layouts of restaurants and meeting/event facilities will need to be altered to provide proper social distancing...while still providing a seamless guest journey. Menus and dining options will also need to be readjusted

and reduced to be cost effective, and where possible locally produced and grown products should be used to support the local economy.

As the industry restarts, it is also important to stimulate demand, first by encouraging Timorese citizens and residents to “Discover the Undiscovered” and then shifting marketing to regional markets and later long-haul destinations. It will also be an important to assist the industry adapt their offering to lower demand during this period.

There is also an opportunity to reassert the vision of the Timor-Leste Tourism Policy to place tourism at the center of priority and policies and ensure sustainability is an integral part of the sector as it recovers and grows again.

Phase 3: Reenergize

Preparing for the future and ensuring tourism for all (October 2020 - 2021)

Timor-Leste’s tourism sector can be reenergized through a 2.0 movement that builds on past experiences and embraces a bold vision for the future. The AC era will undoubtedly bring new challenges and opportunities, and it behooves the country’s tourism sector to work together. There is vast potential to establish tourism as a key driver of Timor-Leste’s economy and the wider sustainable development agenda of the country. This crisis may also offer a unique opportunity to shape the sector to ensure it not only grows but that it grows better, with inclusivity, sustainability and responsibility prioritized. Furthermore, to build for the future, special attention should be placed on building resilience and on promoting sustainability at all levels.

During this Phase, Timor-Leste Tourism Reboot Initiative should be in full momentum with associated institutional arrangements, budgets and partnership modalities.

ACTIONS AND ACTIVITIES

The following table provides an initial scope of recommended actions and activities, based on wide stakeholder consultations. They are classified under the five thematic elements of the National Tourism Policy and the three-phased guidance of the UNWTO. Further consultations are required to gain consensus on the way forward for Timor-Leste tourism now, in the coming months and in the AC era.

Timor-Leste Tourism Reboot Initiative

Activities Summary

	Phase 1: Respond Managing the Crisis and Mitigating the Impact (March-June)	Phase 2: Restart Providing Stimulus and Accelerating Recovery (June-October)	Phase 3: Reenergize Preparing for the Future (October 2020-2021)
Priority	<p>Establish a Timor-Leste Tourism Think Tank/Task Force comprised of government, industry, civil society and development partner representatives to analyze and debate emerging ACE challenges and opportunities; and publicly (through VOIP technologies) meets regularly to guide and coordinate sector recovery efforts. The Think Tank may have subcommittees such as aviation, immigration, finance and banking, cruise shipping, regional and international market revival, health/medical. The head of the task force should be independent, accepted across party lines, commanding authority inside the country and recognized internationally.</p> <p>Instigate a structural transformation of how tourism is governed and operated in Timor-Leste, which will be needed to build a stronger, more sustainable and resilient tourism economy in the future.</p> <p>Re-activate the Inter-Ministerial Commission for Tourism Development to enable 'whole of government' approach to tourism recovery and consider recommendations of the Tourism Reboot Task Force.</p> <p>Provide clear guidance of rules and regulations resulting from State of Emergency and COVID-19 pandemic and ensure coordination across PNTL, SEFOPE, SERVE and other government agencies responsible for enforcement.</p>	<p>Revise and finalize the Timor-Leste National Tourism Development Strategy and Implementation Plan, and seek approval by the Council of Ministers of</p> <p>Identify and socialize <i>Key Barriers to the Tourism Enabling Environment</i> in the After-Corona Era (ACE) and advocate for change.</p> <p>Ensure that an open line of communication is available for tourism bodies, businesses, and market representatives to contact the ministry on emerging issues.</p> <p>Advance travel facilitation, including liberalization of air services in order to re-establish and grow air capacity and connectivity; and reduction of visa fees and streamlining of processes</p> <p>Establish the institutional and financial framework for a Timor-Leste Tourism Board.</p> <p>Conduct primary research with the industry to quantify the impact of COVID-19 on the Timor-Leste tourism sector and manage/scale required assistance measures.</p>	<p>Establish a Tourism Observatory to monitor and measure tourism performance and improve tourism data collection and analysis capacity to quantify the value of tourism to the national economy. A baseline should be established that considers the devastation that the crisis has had on the tourism sector.</p> <p>Reinforce tourism governance at all levels</p> <p>Prioritize public investment in tourism in accordance with the National Tourism Policy</p> <p>Continue to inventory and map maritime, terrestrial and cultural features across the country's 13 Municipalities to identify tourism assets and document spatial and non-spatial data.</p> <p>Fund and launch the Timor-Leste Tourism Board to lead destination marketing and promotion activities.</p> <p>Promote a 'whole of government' approach to tourism development.</p> <p>Conduct a demand assessment of the historical, present and future demand conditions for Timor-Leste based on across markets to identify segments where Timor-Leste has competitive advantage.</p>

	<p>Continue to disseminate accurate and consistent information on disease status, government initiatives and risks in partnership with the World Health Organization and GOTL crisis center.</p> <p>Prepare for re-opening of the economy with clear testing, tracing and treatment plans.</p> <p>Solicit assistance from development partners to contribute to the implementation the Timor-Leste Reboot Initiative.</p>	<p>Establish duty of care measures to ensure visitor safety from health and other threats.</p> <p>Advocate for the inclusion of tourism in national post-COVID priorities, reflecting its capacity to create jobs, to promote economic growth and inclusion and advance sustainability.</p>	
Prosperity	<p>Work with private sector associations to understand the immediate needs of industries (including tourism) to overcome challenges of meeting fixed costs such as salaries and office rent, thereby avoiding further dismissal of staff,</p> <p>An action already taken by the GOTL, consider financial stimulus options for businesses, such as: temporary tax and social security exemptions, grants to underwrite fixed costs, reduced tariffs on electricity and water for businesses, abolish the billboard tax for signage in Dili, suspend fees for new business registrations and renewals, waive rental payments on government-owned buildings, reduced rates by Internet providers</p> <p>Partner with hotels on a COVID bridge activity to address increased gender-based violence that may occur as a result of the economic downturn caused by the crisis. Possibly partner with hotels to provide safer/sanitized hotel spaces as temporary shelters for victims of gender-based violence.</p>	<p>Establish a Tourism Communication Center to provide timely high-quality English language translation of GOTL press releases related to the eradication of COVID-19 and relevant to the tourism industry/markets. These press releases can be disseminated via the national tourism website www.timorleste.tl.</p> <p>Communicate with transparency and support destinations and companies to restore confidence among consumers to restart travel as soon as the health emergency allows for it.</p> <p>Implement financial stimulus instruments and safeguards to facilitate business liquidity. These can include a moratorium on loan repayments, loan guarantees or flexible credit lines for working capital, e.g. COVID-19 Tourism Relief Fund.</p> <p>Help hospitality businesses to put sanitation and hygiene at the forefront of operational changes requires in the ACE.</p> <p>Launch a label certifying sanitary standards (possibly in conjunction with the Dili Moos No Matak pilot program). Possibly model after Best Western's <i>We Care Clean</i> program or similar.</p>	<p>Consider brand re-launch of Explore the Undiscovered to reflect After-Corona Era (ACE) and capitalize on new market opportunities.</p> <p>Diversify tourism products and services in alignment with market opportunities.</p> <p>Establish www.timorleste.tl as the single authoritative information and resource portal for tourism in Timor-Leste.</p> <ul style="list-style-type: none"> • Establish and frequently post photos, videos and short stories on social media accounts, e.g. Facebook, Instagram, YouTube • Establish an expert unit (or outsource) to oversee the content and editorial management of Timor-Leste's tourism-related digital marketing platforms • Develop an e-marketing strategy • Use the postponed Dubai World Expo as an opportunity to increase unique visitors to the website. • Organize a consumer contest 'win a trip to Timor-Leste' in source markets such as Indonesia, Darwin, Singapore.

		<p>Organize virtual knowledge sharing forums using suitable platforms (e.g. Zoom, Skype, Google Hangouts, Facebook).</p> <p>Promote consumption and use of local products and services and support ACE operational standards, particularly for restaurants and hotels.</p> <p>Establish a domestic tourism promotion campaign (My Timor-Leste) to stimulate local demand for:</p> <ul style="list-style-type: none"> • Government and NGO meetings • Island Escapes to Atauro • Faith-based tourism excursions and events • Mountain retreats to the Mt. Ramelau Area • Weddings <p>In support of Timor-Leste 2.0 reboot, produce a marketing strategy with messaging that inspires confidence in the destination (e.g. 'Its only an hour from Australia', 'Guaranteed no tourist crowds') and considers the After COVID traveler trends.</p> <p>Bolster the content and efficacy of www.timorleste.tl website.</p> <p>Help 'build back better' quarantine/isolation sites post-crisis to be ready to return to their regular business. Sites will need to be cleaned and possibly re-equipped with some items, maybe some rebranding, painting, signage, etc... to demonstrate they are post COVID-19 and open for business.</p>	<ul style="list-style-type: none"> • Develop a travel APP to improve tourism information dissemination. • Improve on-line booking functionality and electronic payments. <p>Revitalize and expand trade relationships with wholesalers and travel agents (online and traditional) along the tourism distribution system.</p> <p>Engage OTAs such as Booking.com, Expedia.com, TripAdvisor, Agoda.com, Traveloka.com and possibly offer familiarization trips to Timor-Leste to improve the presence of hotels, operators and restaurants.</p>
	<p>Ensure that any travel restrictions introduced in response to COVID-19 are continuously assessed and remain proportionate to the public health threat and based on local risk assessments. It is important for Timor-Leste to 'benchmark regionally' to ensure 'competitiveness' within the ASEAN context.</p>	<p>Ensure worker and visitor safety as businesses re-open. Cleaning, disinfecting, and social distance guidelines should be established and a possible "Clean and Safe" certification program could be implemented to provide consumer confidence.</p>	<p>Place sustainable tourism firmly on the national agenda</p> <p>Ensure that the Tourism Observatory monitors and measures all dimensions of the triple bottom line of tourism (environmental, economic, socio-cultural) to improve sustainability of the sector.</p>

Protection		<p>Mainstream environmental sustainability in stimulus and recovery packages through incentives that improve environmentally friendly operations.</p> <p>Find methods to balance the need to rejuvenate reefs and alternative livelihoods</p> <p>Gain international recognition (i.e. Hope Spot) of the world-class pristine marine environment of Timor-Leste.</p> <p>Create an awareness campaign to improve Timorese stewardship of Timor-Leste's pristine marine environments using the Turizmu Ba Ema Hotu brand.</p> <p>Establish 'whale watching' guidelines to mitigate risks and maximize opportunities of the 2020 whale season.</p>	<p>Establish a 'travelers pledge' to encourage tourists (domestic and international) to protect culture, environment, and people through hygienic, environmentally and culturally friendly behavior.</p>
Partnership	<p>Collaborate with industry associations to advise on stimulus packages and establish partnership platforms, such as the Tourism Reboot Initiative Task Force.</p>	<p>Create partnership frameworks to support Think Tank.</p> <p>Leverage public private partnerships to ensure uninterrupted food and consumer product supply.</p> <p>Establish a business advisory hotline to provide micro and small enterprises with reboot tactics and strategies.</p> <p>Assist micro and small enterprises to better understand how to gain access to finance for sustaining and developing their businesses.</p> <p>Support Micro Finance Institutes (MFIS) to better communicate and market their tourism-related products and services, particularly to MSEs.</p> <p>Provide online mentoring and coaching through partnerships with experienced tourism operators within</p>	<p>Consult with local insurance providers to expand and improve 'tourism-related' policies that address the ACE traveler needs and requirements.</p> <p>Instigate an investment promotion campaign as part of economic recovery efforts in partnership with tourism stakeholders. The campaign may include attending trade promotion events and inviting special delegations of investors.</p> <p>Create national tourism governance mechanisms that fully engage the private sector, local communities and promote a 'whole government' approach to tourism development.</p> <p>Create 'on-going' special programs to support entrepreneurship in tourism, including business coaching for MSEs.</p>

		<p>Timor-Leste and abroad to help support younger generation of tourism entrepreneurs.</p> <p>Discuss with telecommunications companies the potential of partnering to support the My Timor-Leste campaign.</p>	
People	<p>Incentivize job retention, sustain the self-employed and protect the most vulnerable groups</p> <p>Promote skills development, especially digital skills</p> <p>Create national competitions to encourage and award start-ups and entrepreneurs to propose innovative solutions to the crisis.</p>	<p>Create special incentives to support MSEs' short-term business operations and recovery such as incentives for digital transformation, market access, training and hiring.</p> <p>Upgrade taxi services.</p> <p>Training on quality, safety and hygiene standards.</p> <p>Use the <i>Turizmu Ba Ema Hotu</i> campaign to build awareness among Timorese and engagement in the things that will need to be done so that the tourism sector can prosper when travel restrictions are lifted.</p> <p>Work with businesses to reevaluate their manpower needs and adjust to create a more robust team. A leaner and hungrier team is more preferable than being overstaffed.</p>	<p>Invest in human capital and talent development</p> <p>Acknowledgement of the importance of this sector to the future of the Timorese economy</p> <p>Support, encouragement and engagement for the people who work in the tourism sector</p> <p>Ensure the views of local residents are given equal billing to those of industry and government and that a 'we approach' (local residents, tourists, the industry, the environment and our shared cultural heritage) is adopted where everyone is in this together and a stronger hand in regulating tourism for the benefit of all (people and planet) is taken.</p>

SECTION NO. 5

PROPOSED SUPPORT BY USAID'S TOURISM FOR ALL PROJECT

USAID's Tourism For All Project has a strategy in place to support the Ministry of Tourism, Culture and Industry in implementing a Tourism Reboot Initiative in five specific ways as outlined in the below table. It is fully anticipated that other development organizations and partners will also be able to define their proposed contributions to ensure full alignment and harmonization.

- I. In order to **guide the recovery of Timor-Leste's tourism sector** and at the request of the Director General of Tourism, the Project has conceptualized the Timor-Leste Tourism Reboot Initiative (TLTRI) to reinvigorate business in the aftermath of the COVID-19 crisis and State of Emergency.
- II. In order to **reboot tourism demand**, the Project will galvanize a community of practice of industry, civil society and the public sector to roll out a domestic tourism campaign to impel Timorese and Expatriate residents to explore the country and consume tourism products and services.
- III. In order to **ensure the vitality of MSEs** across the tourism value chain, the Project will share global good practice, design analytical and diagnostic tools and establish an Advisory Hotline to coach enterprises to reboot operations.
- IV. In order to **improve access to finance for MSE's**, the Project will collaborate with micro-finance institutions and commercial banks to identify and publicize lending instruments, disseminate information on available GOTL fiscal stimulus packages for businesses, and produce an on-line financial literacy training module.
- V. In order to **recognize Timor-Leste's tourism community pioneers and leaders**, the Project will co-organize the 3rd International Conference on Emerging Tourism Destinations and establish the Turizmu Ba Ema Hotu Awards of Excellence.

The specifics of the above are provided in the below table:

	USAID'S TOURISM FOR ALL PROJECT'S SUPPORT ACTIVITIES
GUIDING THE RECOVERY OF THE TOURISM SECTOR	<p>The project has agreed to produce a concept paper describing Timor-Leste Tourism Reboot Initiative (TLTRI) that is based on international good practice and evidence-based research. TLTRI will serve as a platform to bring together enterprises, industry associations, development partners, NGOs and civil society institutions to reboot the tourism economy in the country.</p> <p>To date, the Project has conducted a survey with 40 responses from MSEs in the tourism value chain. The team analyzed the results and researched international good practice. The final draft of the TLRI Concept Paper will be completed during the week of April 27 and shared with USAID for review prior to submitting to MTCL.</p> <p>In support of this thematic area, USAID's Tourism For All Project proposes doing the following:</p> <ul style="list-style-type: none"> • Conduct a COVID-19 Tourism Impact Survey (completed). • Produce a situational analysis of the tourism sector (completed). • Research international good practice (completed). • Conceptualize the Timor-Leste Tourism Reboot Initiative (completed). • Share the concept paper widely with the tourism industry, development partners, etc. and solicit comments and commitments to support/underwrite TLTRI activities (completed). • Provide support to MTCL to further develop the TLTRI. • Advocate for the establishment of a Tourism Task Force/Think Tank. • Conduct virtual workshops, Dada Lia and events to reinforce TLTRI implementation.
REIGNITING TOURISM DEMAND	<p>Based on all reasonable predictions and anecdotal evidence garnered through the COVID-19 Tourism Impact Survey, the tourism demand in Timor-Leste will remain laggard throughout the remainder of 2020 and the first quarter of 2021. Reduced air connectivity and the continued high pricing of air services will exacerbate the challenge of reinvigorating international visitations to Timor-Leste by business and leisure travelers.</p> <p>In the interim, it is imperative to reopen restaurants and hotels (as soon as it is safe/feasible) in order to get all the unemployed hospitality service workers back to work. Therefore, in the short term, the Project will support MTCL to expand domestic and special interest (e.g. whale watching and diving) tourism promotion. The project will also collaborate with MTCL to pivot the <i>Explore the Undiscovered</i> destination brand to align with post COVID-19 tourism trends that will likely see a shift in traveler appeal for destinations that offer escapism from the world and seclusion from the masses.</p> <p>There is also a need to establish collaborative public-private marketing platforms to effectively and efficiently market Timor-Leste tourism in the global tourism market. This can be achieved by establishing a destination marketing organization also known as a Tourism Marketing and Promotion Board to lead digital and more traditional marketing approaches. It is critical that a public-private partnership model is established.</p> <p>In support of this thematic areas, USAID's Tourism For All Project proposes doing the following:</p> <ul style="list-style-type: none"> • Design a domestic tourism promotion campaign (e.g. Ha'u-nia Timor-Leste). • Organize local media tourism familiarization trips with Timorese media. • Organize a domestic tourism fair and photo competition. • Provide ongoing content and creative support to the national tourism website www.timorleste.tl. • Publish a regular e-newsletter (e.g. <i>Timor-Leste and Beyond Tourism</i> or <i>Explore the Undiscovered Update</i>) featuring industry highlights, stakeholder stories and special offers. • Through the Project's grants program, aid the Marine Tourism Association (ATM-TL) to refine and grow the marine tourism niche. • Continue to advocate for and advise on the establishment of a Timor-Leste Tourism Marketing and Promotion Board.

	USAID'S TOURISM FOR ALL PROJECT'S SUPPORT ACTIVITIES
ENSURING THE VITALITY OF MICRO AND SMALL ENTERPRISES	<p>Micro and small enterprises (MSE) have experienced dramatic challenges to their normal business activities, resulting in layoffs and near bankruptcies. To counter this trend, the Project proposes to establish an 'enterprise coaching' program to guide MSEs to weather the economic uncertainty in the coming months. Most of the project's private sector partners and grantees are MSEs that are struggling to survive. A series of one-on-one or clustered discussions will be held with entrepreneurs to individually understand their concerns and provide customized solutions for immediate, short and long-term planning. The support will be 'advisory' in nature. The activity does not include any financial grants or stimulus, which will be part of packages developed by the Government of Timor-Leste. STTA can be derived from the entrepreneurial talent within Timor-Leste's tourism sector which is currently not able to exercise their skills due to COVID-19 and resources can be leveraged from the project's existing grant with Agora Food Studio. Here, the opportunity exists to start to transfer knowledge from Timor-Leste's first generation of tourism entrepreneurs to the next generation by:</p> <ul style="list-style-type: none"> • Developing an enterprise diagnostic coaching program to guide MSEs in analyzing the present health (e.g. measuring financial, capital and human resources) and vulnerability of their enterprise and how to navigate through the COVID uncertainty. • Producing <i>How to Re-open your Business Training Videos</i> for local restaurants, hotels and tourism service providers to restore confidence among consumers to restart their services as soon as the health emergency allows for it. • Producing <i>Financial Literacy</i> training videos to improve competence among MSEs. • Producing <i>Digital Basics</i> training videos to improve digital competence among MSEs. • Facilitating remote workshops using Zoom or other communication channels that can build and enhance relationships between tourism MSEs across different sub-sectors, in preparation for a post-COVID tourism context.
IMPROVING ACCESS TO FINANCE FOR MSMS	<p>The project has a long-standing relationship with micro-finance institutions and commercial banks in Timor-Leste, such as Banco Nacional de Comercio de Timor-Leste (BNCTL), Kaebauk Investment and Finances (KIF) and Hanai Malu Credit Cooperative Union (<i>Federsaun Copetaiva Credito Hanai Malu-FCCHM</i>). The Project is well placed to organize discussions and negotiations with these institutions to support and extend loan payback time and offer concessionary micro loans to support recovery. In order to help the tourism industry to ride out this storm, hotels and other tourism enterprises may require short-term loans to fund their operations in the short term once the economy is re-started. Activities may include:</p> <ul style="list-style-type: none"> • Support MFIs to better communicate and market their tourism-related products and services. • Identify financial instruments to facilitate liquidity such as moratoria on loan repayments, loan guarantees or flexible credit loans for working capital. • Disseminate information on financial stimulus and access to finance initiatives that the GOTL may issue. • Produce an <i>Access to Finance and Credit</i> training video in partnership with MFIs.
RECOGNIZING TOURISM COMMUNITY PIONEERS AND LEADERS AND SUSTAINING COMMUNITIES	<p>The Project plans to recognize Timor-Leste's tourism community pioneers and leaders by organizing a tourism awards celebration as part of a larger 'Tourism in ACE' event. In addition, and at the suggestion of USAID, the project will seek to partner with industry and development partners to help address any increased risks to communities, such as, gender-based violence that may be occurring as a result of the economic downturn caused by the crisis. This might include partnering with hotels to provide safer/sanitized room/spaces as 'temporary shelters' for victims of gender-based violence.</p> <ul style="list-style-type: none"> • Co-organize the 3rd ICETD on the topic of <i>Tourism in the After-Corona Era</i> in partnership with DIT, MTCL, and other partners. • Hold a TBEH "Tourism Awards for Excellence" in late 2020/early 2021 to celebrate the reboot of the tourism industry in Timor-Leste. • Gain an understanding of increased gender-based violence and seek temporary solutions.

UNWTO COVID-19 GOOD PRACTICE GUIDANCE TO MEMBER STATES

Phase 1: Managing the Crisis and Mitigating the Impact

Activity	Examples
<i>Incentivize job retention, sustain the self-employed and protect the most vulnerable groups</i>	Provide special incentives and relief funds for companies that retain their workforce, including the exemption or reduction of social security and fiscal payments. Support companies' liquidity. Implement temporary exceptions or reductions on critical bills such as electricity, communications, rent, etc. Allocate travel and tourism with specific funding lines within emergency funds and programs to support the most affected companies so that they can avoid bankruptcy and restart operations after the emergency. This will help ensure supply returns to the market. Develop investment mechanisms that provide liquidity to the tourism industry especially to Micro, Small & Medium-sized Enterprises (MSEs) and particularly in the short-term, for instance through working capital or fast and subsidized loans, etc. Provide financial instruments to facilitate additional liquidity such as moratoria on loans repayments, loan guarantees or flexible credit loans for working capital. Provide small, well-targeted, non-refundable grants for small businesses, the self-employed and entrepreneurs. Develop easy mechanisms to defer fiscal and social security payments without the need for complicated bureaucracy or penalties. Provide managerial support and mentoring to micro enterprises battling to navigate the crisis while also dealing with financial institutions and administrations.
<i>Review taxes, charges, levies and regulations impacting transport and tourism</i>	Review all taxes, charges and levies impacting on tourism, transport and related activities. Provide temporary suspension or reduction of travel and tourism taxes, charges and levies, including service and income taxes as well as of specific tourism and transport charges in a fair, non-discriminatory and transparent manner.

Phase 2: Providing stimulus and accelerating recovery

Activity	Examples
<i>Provide financial stimulus for tourism investment and operations</i>	Create special incentives to support MSEs' short-term business operations and recovery such as incentives for digital transformation, market access, training and hiring.
<i>Review taxes, charges and regulations impacting travel and tourism</i>	Evaluate all general and specific taxes, charges and regulations on tourism, transport and related industries within the context of economic recovery. Extend or create new temporary exemptions or reductions of corporate taxes, air transport taxes, service tax on accommodation and restaurants, tourism taxes and other charges. In the post-emergency phases, where they are still not in place, promote the liberalization of air transport to boost air capacity and connectivity for recovery (States may wish to take temporary measures to provide for flexibility in terms of market access rights).
<i>Advance travel facilitation</i>	Ensure that any travel restrictions introduced in response to COVID-19 are continuously assessed and remain proportionate to the public health threat and based on local risk assessments. Restrictions should be lifted in a timely manner when it is safe to do so, and in as much as possible, in coordination with other destinations in the region. Ensure that information on travel restrictions and their lifting is accessible, consistent and reliable. This information should be shared with the sector and consumers through all

Activity	Examples
	available communication channels. Consider the further facilitation of visa policies for temporary visitors, advance visa facilitation and seamless travel policies. Governments and regional blocks should work on travel facilitation with the aim of moving towards e-visa/visa on arrival/no visa policies.
Promote new jobs and skills development, particularly digital ones	Develop tourism employment fairs and online learning platforms. Develop subsidies for up-skilling and reskilling training programs and measures to promote industry standards and the further diffusion of digital technologies. Provide special incentives such as credit lines (including micro credit), special finance plans, loans, social security or tax benefits for companies supporting job creation. Create special programs to support entrepreneurship in tourism. Promote and stimulate short supply chains in tourism and hospitality.
Mainstream environmental sustainability in stimulus and recovery packages	Approach recovery as an opportunity to jump start the sector towards a new model of sustainable production and consumption. Environmental measures should be integrated into incentives, investment schemes and special funds. These can include resource efficiency (energy and water efficiency, waste management) and measures aimed at reducing CO2 emissions. This will enable the sector to enhance the environmental sustainability of its operations. It will also allow tourism to work more closely with international donors focused on sustainability and to further support the recovery of the sector.
Understand the market and act quickly to restore confidence and stimulate demand	Communicate with transparency and support destinations and companies to restore confidence among consumers to restart travel as soon as the health emergency allows for it. Consider reviewing holiday schedules and, if possible, introduce public holidays later in the year to increase domestic tourism demand. Incentivize companies to provide holiday vouchers to their staff to boost demand post crisis and, in countries where government is a major employer, consider supporting travel and tourism through employee benefits schemes. Invest in data and intelligence systems to monitor behavior, anticipate trends and adjust product design and marketing strategies. Identify and design special promotions for markets and segments that tend to bounce back more quickly, such as special interest travel or the domestic tourism market. Promote domestic tourism to start rebuilding national economies. Domestic tourists are expected to be among the first to travel again and reignite demand. Plans should be in place for marketing activities and incentives that will facilitate domestic travel and encourage increased length of stay. This can include more competitive prices, special promotions or travel incentives by employers especially to destinations that are heavily reliant on tourism. Harness the full potential of social media and youth in promoting the positive impact of travel again, particularly in domestic markets.
Boost marketing, events and meetings	Support tourism administrations, at both the national and local level, in boosting marketing efforts. Invest in digital marketing to ensure targeted actions and enhanced return on investment. Incentivize development in products, market segments and marketing activities that contribute to a more responsible and sustainable travel and tourism sector. Undertake campaigns encouraging informed and responsible travel that contributes to local economies, protects cultural heritage and natural resources.
Invest in partnerships	Create a Tourism Recovery Committee with representatives of tourism administrations at all levels (national and local), other relevant ministries (trade, transport, education, foreign affairs, interior, etc.), the private sector associations, airlines, workers' representatives and other relevant partners such as technology companies and banks. Set a common plan of action with clear objectives, an inclusive approach, resource allocations and responsibilities. Monitor implementation and progress.
Mainstream tourism in national, regional and international recovery programs and in Development Assistance	Tourism should be included in stimulus programs – general programs on tax reductions, export promotion, job support or retraining should benefit the sector. Tourism can benefit greatly from investment in infrastructure because of its direct effect on jobs in construction and related sectors. High speed trains, port and airport facilities, stations and major highways fall into this category – as does the environmentally sustainable renovation and climate proofing of hotels, attractions and other tourism facilities. Development Assistance can provide the means for recovery of jobs and markets, improved governance and support to enterprises across the entire tourism value chain ecosystem. Tourism stakeholders should work to ensure the sector benefits from support available from international and regional organizations such as the IMF, the World Bank, the Regional Banks and the European Commission.

Activity	Examples
	Ensure sustainability is at the heart of any tourism recovery program thus taking this crisis as an opportunity for transformation.

Phase 3: Preparing for the future

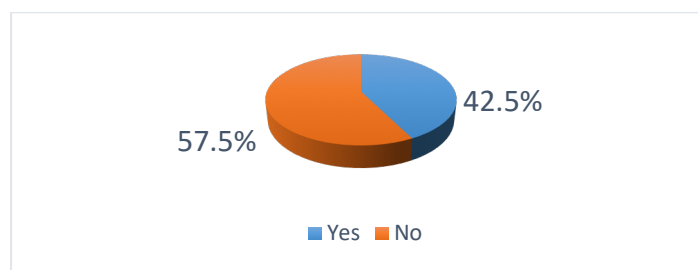
Activity	Examples
Diversify markets, products and services	Diversify tourism to avoid dependence on one single activity or market. Foreign visitors are high value exports and must be considered as part of national export promotion programs. At the same time, domestic markets are often the backbone of the sector. Work to make domestic and intraregional travel more competitive through enhanced connectivity and travel facilitation. Address the underlying shifts in demand. Understanding possible changes in consumer preferences and behavior post-crisis will be critical. Provide more vulnerable communities and groups with the capacity to develop new tourism products supporting rural regions and disadvantaged communities.
Invest in market intelligence systems and digital transformation	Evidence based decisions and strategies are key, particularly in moments of crisis. Invest in data, analysis and partnerships that allow for close, short term monitoring of tourism development and impact. Set up national and local sustainable tourism observatories to measure all dimensions of tourism in partnership with relevant stakeholders and share this information with the sector. Monitor tourism impacts at destination level through the application of traditional and non-traditional data sources. Share, measure, and understand the economic, social and cultural implications of tourism. Embrace digital transformation and boost innovation ecosystems in the public and private sectors.
Promote skills development, especially digital skills	Create national competitions to encourage and award start-ups and entrepreneurs to propose innovative solutions to the crisis. Support the unemployed to develop new skills for the recovery phases. Useful skills can include the development of new products, marketing, market intelligence and digital skills in general.
Reinforce tourism governance at all levels	Create national tourism governance mechanisms that fully engage the private sector, local communities and promote a 'whole government' approach to tourism development. Develop and strengthen Destination Management Organizations (DMOs) for an effective and sustainable development of tourism at the local level. Build institutional capacity among local and regional government structures for better resiliency and faster bounce back. Include tourism workers' associations and civil society and promote citizens' platforms to ensure all voices are heard.
Invest in human capital and talent development	Review and update the national tourism human capital strategy. Build resilience and prepare for the future of work through a skilled and prepared workforce and adequate education and training strategies. Set partnerships with travel and tourism industry leaders, universities, educational centers, digital players, chambers of commerce, and tourism associations to advance new skills for the future of work and to meet the skills needed by the sector. Ensure that more vulnerable groups such as women, youth, immigrants and people with disabilities are explicitly included in human capital strategies. Respect the principles of decent work and equal opportunities. Employers should ensure a safe and healthy working environment by introducing preventive and protection measures to minimize workers' exposure to risks.
Place sustainable tourism firmly on the national agenda	Support the transition towards a circular economy – this crisis is also an opportunity to place stronger emphasis on the development of strategies that enhance coordinated action and decisions across all actors (producers, distributors, consumers, etc.) in the tourism value chain. This can support integrating circularity in tourism operations, transitioning to more resource efficient and low carbon tourism operations, while also enhancing the competitiveness and resilience of the sector as a whole. Ensure the inclusion of tourism in national priorities, reflecting its capacity to create jobs, to promote economic growth and inclusion and advance sustainability. Create a whole government approach to tourism development by establishing National Tourism Councils for the coordination of all policies and cooperation with the private sector.

Annex 2

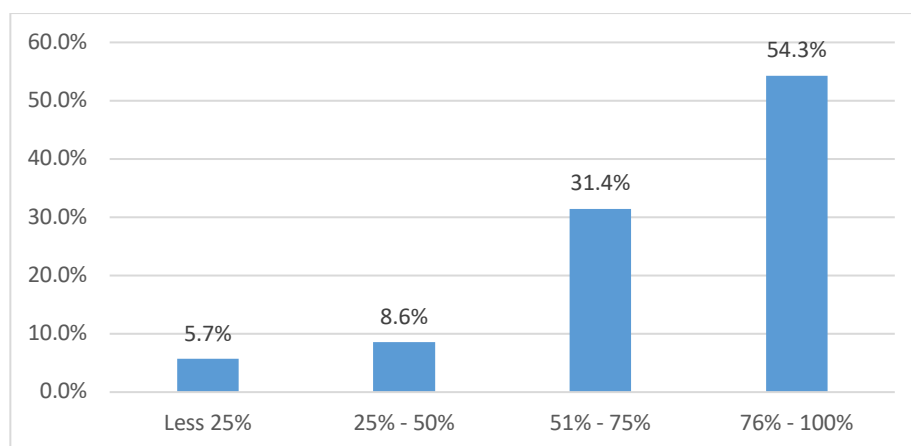
COVID-19 TOURISM IMPACT SURVEY

In the early weeks of the crisis USAID's Tourism For All Project quickly mobilized its trusted community of tourism practitioners to complete the COVID-19 Tourism Impact Survey between 09-17 April with 40 responses. The majority of respondents (80%) are Dili-based, and the remaining 20% are from Ataúro Island and the Mount Ramelau Areas. The six-question qualitative survey, which was administered through telephone interviews and email, aimed to understand how the State of Emergency caused by the Coronavirus pandemic is impacting the tourism sector in Timor-Leste and what mitigatory actions can be taken to recover the industry once the State of Emergency ends.

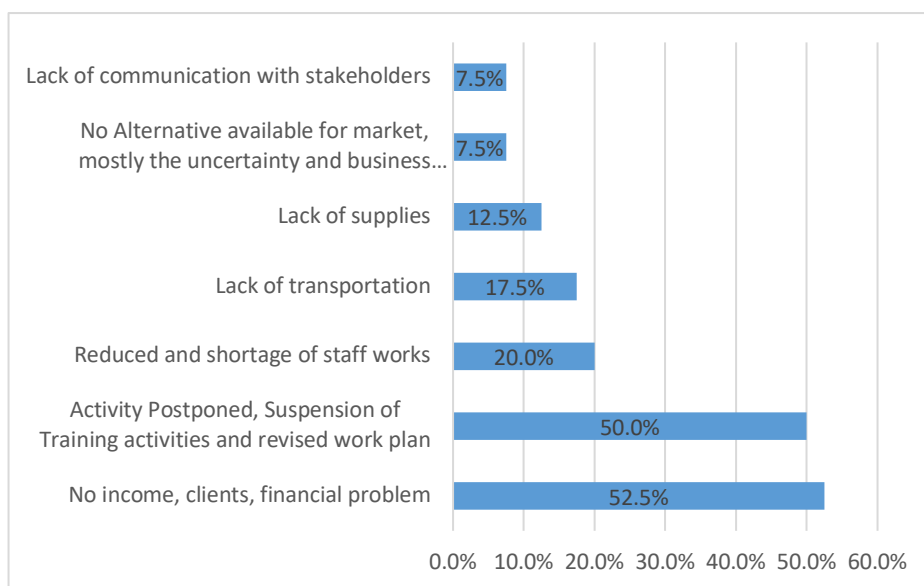
Q1. Nearly half of the organizations surveyed closed their operations completely. Most of those reporting still being open (42.5%), were doing so at reduced levels.



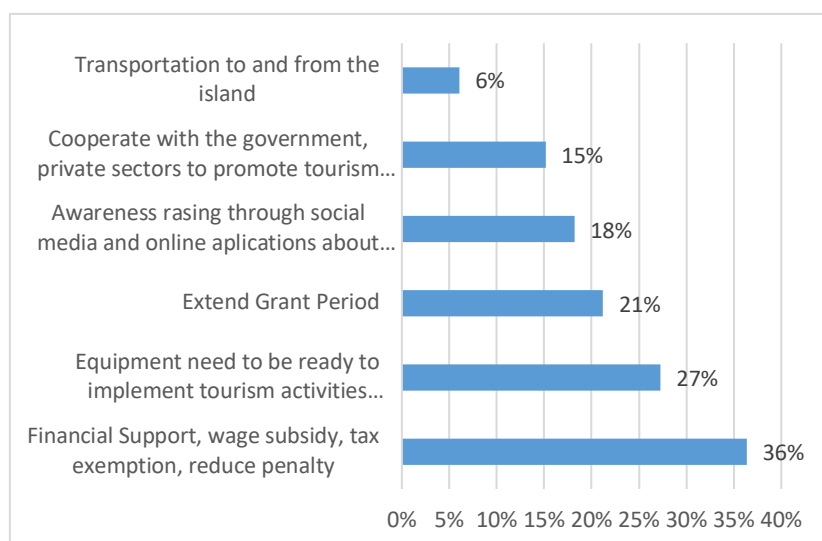
Q2. The majority of respondents (84.7%) estimate a decline in business of more than 50%.



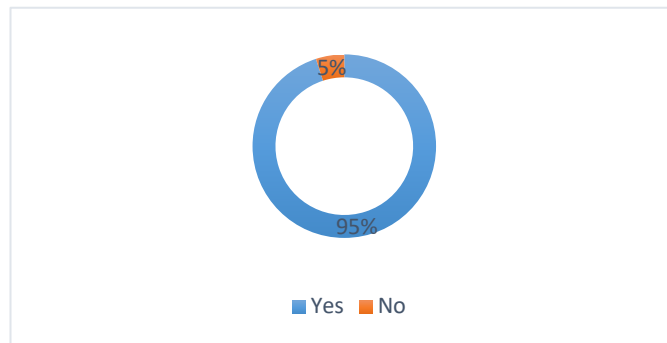
Q3. Asked what the biggest challenges they are facing, more than half of respondents identified the biggest challenge to their business is the lack of clients/income and the resultant challenges to liquidity. In addition, business plans have been rendered irrelevant and companies are increasingly challenged to remunerate their staff. Weaknesses in the supply chain are also becoming increasingly worrisome. Business are also finding it difficult to communicate accurately with their customers as to when things will return to normal.



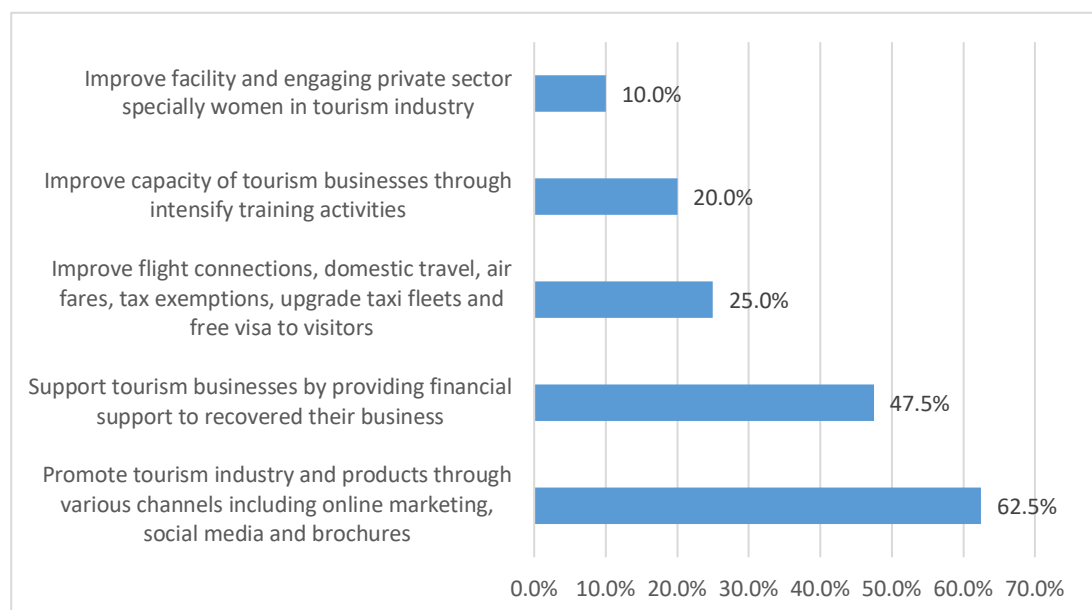
Q4. Respondents have identified a number of areas that they require support during this extended time of crisis. 36% suggest a variety of fiscal measures by the Government of Timor-Leste, such as wage subsidies, tax exemptions, and reduced penalties. Business also require preventative supplies such as hand sanitizer, masks, and soap when they eventually re-open. There was also a call to help promote tourism (e.g. domestic) to help generate income for the tourism sector. Businesses also asked for better clarity and dissemination of information related to the State of Emergency and in particular the tourism sector. Respondents from Ataúro universally seek improved access to the Island once the State of Emergency has ended.



Q5. 95% of all respondents agreed that the Ministry of Tourism should establish a recovery initiative to support the revival of the sector.



Q6. When asked what types of activities should be included in such a recovery initiative, the majority of respondents (62.5%) suggested an overall reboot of the tourism industry through enhanced tourism marketing, particularly to stimulate domestic demand. Nearly half (47.5%) are seeking financial support from the government. To re-stimulate international visitation a quarter of respondents identified the need for improved connectivity and travel facilitation (e.g. visa free entry, reduction in tourism-related taxes). Meanwhile 20% of those surveyed requested training, particularly in food safety and hygiene.



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