

A Work Project, presented as part of the requirements for the Award of a Masters
Degree in Management from the NOVA – School of Business and Economics.

**PRO POOR TOURISM FOR COMMUNITY DEVELOPMENT
ON ATAURO ISLAND, TIMOR-LESTE**

MARIA INÊS XAVIER COIMBRA - 758

Advisor: Professor Daniel Traça

June 2012

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Abstract

This work intends to understand to what extent is tourism in Atauro pro poor and what measures can be applied for it to generate higher benefits to local communities. On TVC analysis it is found that tourism on already works in a community-integrated manner and delivers positive impacts, the focus will be on how to enhance tourism. Two focal questions direct this research: How to increase the size and performance of the tourism sector; How to increase the proportion of tourism spending reaching the poor. They are used as support for formulating practical suggestions for tourism enhancement and benefits generation.

Keywords: Atauro; pro poor tourism; community development, tourism strategy

I. Introduction

1. Literature Review

Tourism has been rapidly developing and expanding over the last decades and today, it is considered the fastest growing economic sector in the whole world. This growth has been particularly strong among the world's developing regions that accounted for 47% of the total world's tourists arrivals in 2010. The revenue generated by tourism for the world's 48 least developed countries increased from \$3 billion in 2000 to \$10 billion in 2010. Tourism sector has also evolved and diversified and nowadays, the concept of tourism as a contributing sector for developing countries growth is fairly accepted, although many concepts and viewpoints have been developed around this subject. Pro-poor tourism has been defined as the tourism that generates "net benefits to the poor" (Ashley et al, 2010) and argumentation has been held around the precise scope of pro-poor tourism and the ways in which benefits can arise. What has been majorly agreed is that pro-poor tourism should not be seen as a particular type or a niche of tourism, but instead as an approach to tourism development and management that can virtually be applied to any type of tourism activity (Ashley, C., & Haysom, G., 2006). Benefits can therefore arise from different types of community participation which can engage direct involvement such as ownership of SME, direct selling to tourists or not, as it is the case of indirect involvement through supply activities or tourism taxes redirection to the poor.

2. Methodology

This work follows the methodology research from the book *Manual on Tourism and Poverty Alleviation*, 2010 from UNWTO and SNV¹. Assuming PPT as an approach to tourism development the two following questions were used as focal guides for this

¹ UNWTO: United Nations World Tourism Organization; SNV: Netherlands Development Organization

study: **(1) How to increase the size and performance of the tourism sector as a whole? (2) How to increase the proportion of tourism spending reaching the poor?**

Field-research was conducted as follows (all interviews and questionnaires were conducted in Tetum in a one-on-one basis and all relevant comments were registered):

- Semi structured interviews were held with Atauro tourism stakeholders (appendix: table 1: Stakeholders list), including interviews with all relevant local business owners;
- A local community survey was developed and applied in three of the five sukus²: Beloi, Vila (the capital of Atauro sub-district) and Bikeli; which were chosen because Beloi and Vila are the areas where tourism has developed until now and Bikeli has a population slightly more educated than the rest and has demonstrated interest in developing tourism. Due to logistic and time constraints, not all the 5 sukus were visited. In total, 61 were interviewed in an average age of 33.4 years old;
- A tourists survey was developed and applied online to a total 50 tourist that have already been to Atauro.

The analyses of Atauro's TVC and SWOT have been elaborated with both theoretical support and field-analysis results and will serve as basis for suggestions and conclusion.

3. Timor-Leste: Facts & Figures

Timor-Leste is an island state situated in Southeastern Asia, 550 km north of Australia. It encompasses the eastern half of Timor Island, the Oecussi-Ambeno enclave on the northwest part the island and the islands of Atauro and Jaco. The country is 14.874 km² with a population of 1,124,000 and a household average size of 5.8 people. The country which in May 2012 celebrated ten years of independency has been growing at considerable high rates vastly boosted by public spending; from 2004-2010 non-oil

² Suku: administrative division of Timor-Leste; Administrative divisions: district, sub-district, suku, hamlet.

GDP grew at around 7% per year, however, non-oil GDP per capita is still fairly low, \$928³ in 2010 and 40% of the population lives below poverty line. The country is dependent on its oil and gas revenues and up until now it has failed to inject them into the non-oil economy to trigger its growth.

4. Tourism in Timor-Leste and Atauro Island

The first tourism flows started around the year 2000, when several foreigners came into the country on UN peace keeping missions or other aid operations. From then on tourism grew and developed, nonetheless, the vast majority of tourism flows still originates on foreigners living or working in the country; family and friends' visiting workers/volunteers or travelers on recommendation from someone that has already been to there. The number of tourist arrivals has increased year after year, reaching 36,643 in 2011 (27% growth from 2010); yet, it must be acknowledged that this number most certainly includes travelers to Timor-Leste on work or other purposes and that the real number of visitors exclusively for tourism activities is undoubtedly lower⁴. On the government side, tourism has been recognized as an activity with potential to deliver economic growth; still, in practice, very few has been done and no clear tourism strategy exists, the main government action is the concession of money grants⁵ to nationals who present a proposal for enhancement of a business they already own.

Atauro: the island can be seen from Dili and is located north at a short boat trip distance (1:15 to 3:00 hours)⁶, it is only 25 km long and around 104 km² with a population of 8,000 people. It is divided in five main sukus and twenty small hamlets, with administrative and commerce center is the suku of Vila. The island offers a reality in

³ Data from World Bank Databank, GDP per capita PPP (current international USD); ranking 173/181

⁴ Data from the National Tourism Directorate; number of tourism-purpose visits is not possible to estimate because there is a high amount of workers and volunteers leaving in the country on a tourist visa.

⁵ In 2011, a total of \$150,000 were given to 24 people with an average grant value of \$6250

⁶ The boat trip duration depends on the type of boat and sea conditions.

total opposition of that from the capital: pristine white sand beaches; mountains for trekking with scenic views; innumerable spots for snorkeling, diving and marine life watching; and a welcoming population with most of its traditional livelihood preserved. Tourism is still in a very rudimentary phase, yet, it is already one of the main activities in the island (along with fishing) and its potential for expansion is enormous. No data exists on the current number of tourist visits to Atauro; however, we can assume it to a number around 200 to 280 visitors per month, which are mainly internal weekend travelers on Saturday and staying for one or two nights⁷.

II. Analyzing tourism in Atauro

1. Atauro's TVC organization and interaction with communities

Constructing Atauro's Tourism Value Chain will help us understand how tourism activities happen in the island, what is the role of local communities and how are they benefiting (appendix: Illustration 1). Atauro's TVC is still in a low development stage: interactions are mainly direct, there is almost no vertical or horizontal integration and there are entities controlling various or all stages (i.e. big tour operators integrating all direct services from (1) Planning & Booking to (2) Returning Home). We will now analyze Atauro's TVC starting by the direct services provision:

(1) Planning & Booking: generally self-done directly with accommodation and transportation providers; incoming tourist might book through national or international tour agencies that operate locally. According to *Eco Discovery*, a national tour agency among the few operating in Atauro, they received 135 clients in 2011, which represents only around 4% to 6% of the total of visits to the island. **(2) Getting to Timor-Leste & Getting to Atauro:** incoming flights to Dili are characterized by limited routes and

⁷ This date is not accurate; it was estimated based on interviews and registries from accommodation and boat services.

schedules, at high prices. Regarding the boat trip from Dili to Atauro, the faster, more flexible but also more expensive transportation (appendix: Table 2), are the two fast boats *Compass* and *Atauro Roo* that travel go-return generally every day in the morning. *Nakroma* public ferry-boat only travels on Saturday and is the choice of most of the weekend tourists. The *Manu Tassi* boat is owned by a local but only runs one trip Atauro-Dili on Monday dawn and is unknown by the majority of tourists; various local fishermen boats travel go-return everyday but they are unsafe and must be arranged directly with the owners so they are normally not an option. **(3) Sleeping, Eating & Travelling in Atauro:** there are currently six active accommodation places (seven in total), one ecolodge, three guesthouses, one rental house and one campsite (appendix: Table 3). In general, the preferred choice by tourists is *Barry's*, for its quality of service, location and reputation. All the existing businesses are of small scale (maximum capacity of 30) and operate in close integration with local communities. Four of them are totally owned and run by locals and as for the other two, *Barry's* employs only locals, six full-time workers and fifteen subcontracted fishermen or constructors; and *Manukoko Rek* is owned by two Brazilian priests but run and managed by five local women. For eating, there is only one restaurant, from *Manukoko Rek* guesthouse; it is also possible to eat at *Barry's* or *Trisan House*, when notified in advance. Meals offered are generally prepared with products that could be bought locally yet, local supply is limited in terms of variety and quantity so most of the supplies come from Dili. On Saturdays it is possible to have lunch on Beloi's market traditional restaurants which serve exclusively local food (mostly grilled fish) and are owned by locals from different sukus of Atauro, mainly Beloi, Vila and Biqueli. Transportation is almost exclusively

local: in Vila and Beloi it is mainly done by road on local *tuk-tuks*⁸; outside these two sukus local fishermen's boat are used. *Barry's* is the only place offering regular scheduled trips that can be booked even by tourists not staying there; trips are run by local fishermen and the entire price paid by tourists is given to them. It is also possible to contract trips directly with fishermen but with no guarantee of availability, fair price or safety conditions. **(4) Visiting, Extra Activities and Shopping:** the offer of organized visits to the island or extra activities is scarce: *Barry's* offers boat trips (w/out snorkeling rental) to Beloi, Akrema or Adara; it might be possible to arrange a local guide to go on trekking tours or to ask for a local music concert to be organized but none of these activities are formerly organized, scheduled or promoted. There are at least three companies offering diving programs in Atauro but these must be booked from Dili in advance, the offer of packages for diving and sleeping in the island is almost none existent. Shopping offer is also limited: there are two local crafts stores located in Vila, *Biojoias* and *Bonecas de Atauro*, the second one vastly known and attracting a lot of tourists; wood-crafts and other local artifacts can be bought directly to local craft-makers on weekends in Vila and Beloi or in a small permanent exhibition at *Barry's*.

Secondary Suppliers: Local supply of agricultural goods (6), (8): the vast majority of locals produces agricultural products for subsistence and sells when has excess, directly to the service providers or at Beloi's market. These supply activities are generating income the poor but not to their maximum potential since local production does not generate a reliable supply capable of meeting service providers' demand in terms of variety, quantity and stability. Consequently, the greater part of their supply

⁸ Tuk- tuk: motorcycle with 3 wheels that can carry around 8 people for \$2 (€1.5) each one-way trip

comes from Dili. **Fish supply (7):** most of fishing is not done as a professional activity which renders fish supply limited and unpredictable. No fish market exists in the entire island so fishermen sell fish directly to service providers when they catch, but not on predictable or regular basis. Other goods and items are generally supplied **by the local kiosk and mini market or by the supermarkets and local markets in Dili (9), (10), (11):** vegetables and other fresh products not available locally are bought in the local markets in Dili, non-fresh items (i.e. rice, cooking oil, coffee) are preferably bought in Dili's supermarkets even though they might be available on the local kiosk and mini market (at higher price and limited variety).

Supporting bodies: the main ones with essential roles in the TVC are: the local NGO Rolu, through awareness rising and training actions (now that he ecolodge is closed), the church in collaboration with some national and international entities (i. e. SEFOPE) which, among other initiatives, created Manukoko guesthouse and restaurant, helped develop Bonecas de Atauro (initially created by UNICEF) and Biojoias (born from a microfinance project of a local organization) and the government that despite the overall passive attitude has contributed by giving financial grant to two local businesses owners and is now rebuilding some infrastructures (roads, electricity and water supplies). A critical remark on this TVC is that all existing activities are concentrated in the area of Beloi-Usu-Bemaçu and in Vila. Moreover, the vast majority the TVC activities happen exclusively on Saturday, on Beloi's market while *Nakroma*-ferry is on dock; the vegetables and fruits market, the traditional restaurants and selling of local crafts.

2. Income benefits from TVC to local communities, particular cases

The particular case of Barry's ecolodge will be used to derive conclusions about the impact this kind of business can have on local communities: *Barry's* is an ecolodge located next to Beloi's port, owned and run by an Australian individual and his

Timorese wife. The ecolodge has the capacity of 30 people and offers a service of all meals included for an average price of \$32.5. As demonstrated in the table bellow, he the main sources of benefits to the poor are the direct employment and the boat trips. These boat trips are offered by the lodge at fixed prices (appendix: Table 4) and are operated by local fishermen to whom the entire price paid by tourists is given. Considering the supply to the ecolodge, products bought regularly locally are bread, every day, and a small amount of vegetables and fruits, once a week at Beloi's market.

<i>Barry's ecolodge accountability details</i> ⁹	Value per month in \$
Direct employment on the lodge	
- 6 Full-time workers (\$100 per worker)	\$600
Secondary activities	
- Supply of vegetables, fruits and bread	\$150 - \$200
- Transportation on local <i>tuk-tuks</i>	\$100 - \$150
Extra activities (access to market)	
- Boat trips to Beloi's port, Akrema and Adara	\$300 - \$500
- Craft sales (wood statues, local diving glasses, etc)	\$80 - \$120
Income directed to the poor	
- Direct employment and supply activities	\$900- \$1050
- Total income to the poor	\$1230 - \$1570
Average monthly revenue (for average occupation of 27.8 ¹⁰ %)	\$8143
Percentage of monthly revenue directed to the poor	
- Only from direct employment and supply activities	10% - 12%

According to *Barry's* owners, the greater part of their supply comes from Dili since the lodge demand cannot be met locally; thus the monthly expense of \$150 to \$200 on local vegetables, fruits and bread corresponds to only around 15% to 30% of the total supply of these items. This represents a leakage of earnings that could be tapped by stimulating local supply. Summing up, 10% to 12% of the ecolodge revenue is directed to the poor, considering only direct employment and supply activities. The total benefits generated go beyond these values when we consider: the boat trips, one of the most significant items generating earnings of around \$300 to \$500; the group of fifteen casual workers

⁹ This data has been collected directly with the ecolodge owners. The numbers are not accurate; they represent rough estimates based on the ecolodge accountability registration for 3 months (Jan – March 2012) and the owners' answers and comments.

¹⁰ Daily average occupation (for all weekdays) for the period Jan - March 2012

that participate in maintenance and construction earning \$7 a day; or the market access opportunities for locals unlocked by the ecolodge: a permanent stand selling local crafts made by several craft-makers, a group that is contracted to deliver traditional music concerts and the woman that provides massage services. It is concluded that benefits to the poor are generated by the ecolodge directly, through secondary activities and through market access opportunities.

3. Non-income benefits from Atauro's TVC to local communities

Income benefits normally get higher focus and are in the “positive impact from tourism” mentioned by a higher number of interviewed locals (34.4%). However, other equally significant benefits mentioned need to be accounted: the interaction between locals and tourists (i.e. playing with local children and bringing a cheerful mood) and the fact that locals, especially youngsters can practice languages (mainly English and Portuguese), are both mentioned by 26% of the respondents. Other benefits include: the access to updated outside information and contact with different nationalities that stimulates local social development; the incentive to local culture, and history perseverance; and the fact that some services created for and sustained by the tourism sector can also be used by locals, as it is the case of transportation on *tuk-tuks* (before there was no transportation).

III. Enhancing Pro Poor Tourism in Atauro

The SWOT analysis of tourism in Atauro has been elaborated for a better understanding of the current status and future potential of the sector, and the following points will be based on it; for the complete SWOT analysis, refer to appendix Illustration 3.

1. Main constraints for tourism development in Atauro

We now focus on the main factors that are currently preventing tourism expansion in Atauro. This might be a high-level analysis, related to the tourism sector as a whole and less to

community level issues yet, it is essential to address these issues to that tourism as a pro poor tool can grow and benefit local communities.

1.1. Accessibility

The current boats offer is inadequate in terms of schedules, availability, price range and routes. Boats only travel during dawn or morning. This is extremely limiting, particularly for week-end travelers whose only option is to go on Saturday dawn/morning and return on Sunday or Monday dawn/morning. The *fast-boats* are only two, their prices are extremely high (\$30 or \$45 one way) and they have very limited capacity (maximum of 9 and 15 places); *Nokroma*-ferry, the only high-capacity low price transportation has very limited schedule, it goes on Saturday 9 a.m. and returns at 4 p.m. Accessibility is seen as the main difficulty for tourists travelling to Atauro, referred by 38% of the tourist survey respondents.

1.2. Accommodation

Regarding accommodation services, the main issues are: low capacity (71 beds) and limited offer in terms of variety, quality and location (concentration in the area of Beloi-Usu-Bemaçu and Vila). The most popular place among tourists are *Barry's* and *Tua Koin* ecolodges (currently closed), and the reasons for the preference are: location, sea front; best offer in terms of quality and comfort; and the possibility of easily going for snorkeling or boat trips. Opening more accommodation places that meet these criteria would get more tourists to the island since *Barry's* is many times fully booked. The fact that accommodation is concentrated in one particular area limits tourists' choices of places to visit, potentially reducing their time of stay and frequency of visit.

1.3. Promotion and information about Timor-Leste and Atauro

From a macro perspective, there is still very low tourism orientation and promotion for the country and consequently for Atauro. To increase tourism's volume it is necessary

to focus on incoming tourists, almost nonexistent and highly unaware of the country potential. From an internal, local point of view, promotion is also needed, not only in the sense of tourists attraction but mainly for information spreading about the available opportunities in terms of transportation, where to stay, extra activities and places to visit (lack of information is the third major difficulty referred by tourists)

1.4. Tourism support structures

For tourism to developed and for the growth to be sustainable, it is essential that support structures are incentivized and created in the island; also, local entities such as NGOs, uni/bilateral cooperation organisms and the church, must all cooperate for tourism development and their focus should be awareness rising, capacity building and local interests' safeguarding. There are vital functions lacking for a proper development, on tourism supply side: there is no integration of stakeholders and initiatives, no strategy for development and communities interest are not represented nor defended; on the demand side: there is no concern over tourists satisfaction and protection and no control over tourist volume or actions which can put local resources and communities at risk. Regulation for both this sides is mandatory and should be established by the government and abide by and applied by a local entity (i.e. local tourism association)

1.5. Lack of human resources' capacity

There is low of human resources capacity in terms of schooling, professional education and tourism specific skills such as: languages, hospitality, management and environmental education. The country is classified as a low human development country with an HDI of 0.495 ranking 147 out of 187. In general, the population has weak levels of numeric and logical reasoning, low initiative and decision-making capability. However, Atauro presents population educational values higher than the

country average; only 29.2% of the population older than five years never attended school and literacy rate is higher than 80%. These low capacity issues could be solved by introducing tourism-directed training programs for specific skills such as basic management, hospitality and English courses delivered by NGOs or other institutions.

1.6. Infrastructure

Currently the only road with acceptable conditions is the one linking Beloi-Usu-Bemaçu to Vila. Travelling by land is almost restricted to this road, for other locations it is necessary to walk. A new road is being built from Beloi port to Biqueli but even after its completion, roads will still be very limited. Electricity is being expanded but for now only Vila and Beloi-Usu-Bemaçu have electricity supply. Water supply is also mainly restricted to this same area, although there is a water system covering the entire island that is currently broken but is being fixed to work with shared water tanks spread through the whole island. Sanitation with residual water treatment and refuse management do not exist and are mandatory to allow for tourism growth, both in terms of construction for services expansion and volume of tourists.

2. Opportunities for enhancing PPT in Atauro

These opportunities are structured following the two main goals of this research:

(2.1) How to increase the volume of tourism in Atauro: On previous points, it was found that tourism in Atauro already has a pro poor focus; we now concentrate on growing the volume of tourism which will subsequently increase the earnings to the poor. **(2.2) How to increase the share of tourism income going to the poor:** specific measures to render tourism even “more” pro poor will be addresses so that a bigger share of the current and future tourism revenue in Atauro is directed to the poor.

2.1. How to increase the size and performance of the tourism sector?

2.1.1. Increasing number of tourist:

i. Promoting Timor-Leste as tourism destination & promoting Atauro:

The current volume of tourist entries in the country is low and it is in part due to the fact that the country is still unknown. Timor-Leste must define a clear positioning and marketing strategy and promote itself externally which should be responsibilities of the National Tourism Directorate. Although being part of Asia, it is very particular country due its past story and Portuguese influence. As natural attributes: the climate and its immaculate beaches and sea, mountains for trekking, diving sites and the possibility of close contact with local communities. Atauro, for its privileged location inside the country and for its great tourism potential (all the country attributes can also be found there) could be marketed as the country “excellence destination”. As a small island state, the country is not suitable for mass tourism, nor is this the desire of communities which means promotion should be selective; through membership of tourism organizations (i.e. PATA, WTO¹¹) and participation in international trade fairs (i.e. the country will be present in the Expo 2012 in Seoul). Special events also help promoting the country and attracting tourists and the ex-President, José Ramos Horta was particularly supportive of sports initiatives of this type, already became traditions attracting many international athletes and tourists, such as: the *Dili Marathon* (running), the *Tour the Timor* (cycling), the *Darwin Dili Yacht Rally* (sailing) and *Atauro International Fishing Competition* (fishing). Other communities’ initiatives supported by NGOs are also successful in generating internal flows to Atauro and immediate income (i.e. *Atauro-Days*: cultural bazaars and shows organized on Saturday’s during *Nakroma*-ferry dock).

¹¹ PATA: Pacific Asia Tourism Organization; WTO: World Tourism Organization

ii. Increasing accommodation offer

Existent offer must be complemented in terms of quantity and location: opening more places and in different areas is crucial to grow the potential number of tourists coming to the island and their time of stay. Accommodation in new locations would offer tourists the possibility to visit and stay in different areas, spreading tourism activities in the island and opening the way for a higher number of communities to participate and benefit from tourism; hence, a high-level strategic plan should define the new locations and accommodation types. First, ecolodges of *Barry's* and *Tua Koin's* kind should be created since they are a proven success model from both tourists and communities' sides. Two other almost inexistent models should be stimulated: campsites and home-stays. Small campsites with basic infrastructures (a proper space for camping, water, electricity from solar panels) would be adequate for remote or difficult accessibility locations such as mountains routes, which are particularly attractive areas for adventure tourists likely to want to camp. Also, a serious of new community participation opportunities would appear: all the managerial and operational campsite activities, preparing meals, direct selling of local products and crafts or trekking-guides. Home-stays would increase the number of beds; however some minimum conditions should be met in order for tourist to want to home-stay. On the community survey, 72% of the interviewed want to welcome tourists on their own houses, however, only four people (9%) believe their house had conditions to receive tourist, five (11%) are preparing the house to do it and two (4%) already had tourists staying in their houses.

iii. Increasing boat supply

Once tourism volume grows the demand for boats will increase both on weekends and week-days. Dili – Atauro: competition must be created so that prices decrease and more

people go to Atauro. *Nakroma-ferry* should make two go-return trips, one on Saturday and one on Sunday which would allow the current travelling flows to be maintained (many Timorese travel on this ferry) and increased: mainly among internal week-end travelers which would have the option of sleeping in the island and paying only \$10 for transportation (instead of the actual \$35 to \$50 for returning on fast boat). This would stimulate other local tourism activities: Beloi's market and restaurants could be open all weekend, there could be a higher concentration of local products and crafts to be sold; *tuk-tuk* drivers would have higher number of clients. To complement the Dili-Atauro boat offer, local communities' boats, similar to *Manu Tassi* boat should be used: there is a total of around 10 boats of this type (small capacity of 20-30 people) which were given to different hamlets and are currently abandoned because they are broken or the motors do not work. Another way of bringing more tourists to the island would be to develop commercial boats from Indonesian islands to Atauro. Internal island trips: The majority of local travelling should be offered by local fishermen boats since boat trips offer is one of the activities that generates higher benefits for local poor and also, because it is a characteristic of local livelihood that should be preserved.

2.1.2. Increasing time of stay

i. Stimulating extra activities offer on the island

One way of increasing extra activities is to develop the offer guided visits in the island. These could be, Historical: interesting places from the island past history, Cultural & Traditional: places where traditional products (i.e. soap, medicines) or crafts are made (i.e. Tais from Macadade) or where special traditions exist, opening direct selling opportunities in remote areas; Gastronomic: discovering traditional food and eating habits from the island; Trekking: trekking tours through identified routes in the island.

These tours could have different durations (from half day to three days), would be organized by local staff and guides and could be complemented with accommodation and meals along the routes. Accommodation could be with camping or home-stays and meals could be prepared by communities in different hamlets. One other option would be sea trips: fishing trips where tourists could fish and buy the fish and snorkeling trips: offering equipment rental and the possibility to go snorkeling in different places. All these activities would once again demand an association, a group or a private to organize them and manage booking. The number of people per tour and the total of tours should be limited and controlled to avoid massification. Opening a diving center in the island would allow tourist to book diving in the island and also to dive and stay there. No such offer exists and it would allow to market Atauro as a world-level diving destination. An easy way to create this offer would be to attract one of the diving companies already operating in Dili to establish operations also in Atauro, since Atauro has some of the main diving spots of the country.

ii. Creating packages

Another way to increase the length of stay could be to offer vacation packages including transportation, accommodation and extra activities. This way tourists would not have to search for and separately book all these services, they would just buy the package which would make them less sensible to the duration (considering they had available time) and also to price. These could be sold by local, national and international travel agencies or by a local tourism association.

2.1.3. Increasing the spending per person

If spending per tourist increases, provided the increment is directed to pro poor expenses, then the benefits to the poor increase also; therefore, we now focus on the opportunities to increase the services and products offer. Services offer needs to be

highly increased and expanded new areas, this should include: local restaurants (there is only one in Vila), cafés or natural fruit and juice kiosks. No high investment is required, as an example, restaurants could be located in the water front and serve grilled fish and local vegetables. Regarding products, the offer could also be complemented and expanded to new areas, such as, local crafts and artifacts kiosks: selling wood-statues, traditional baskets, tais and items made of tais, local jewelry, or artifacts ; kiosks of locally made products: jam, tofu, tea, soap, traditional medicines, among others.

2.2. How to increase the proportion of tourism spending that reaches poor?

2.2.1. Increasing secondary supply activities from the part of local poor

There is a big potential for local supply increasing which could benefit both the local poor and tourism businesses. First, regarding agricultural products, fruit, and other food items, it was found that most of the supply comes from Dili but that sourcing in Atauro would be preferable since buying in Dili brings higher costs in terms of transportation and stocking. According to local communities' side, 52% of survey respondents want to participate in the supply of agricultural products to tourism businesses. However for this to be possible some measures must be taken: professional farming must be incentivized to substitute subsistence farming; training must be given to farmers on agricultural techniques; quality control must be implemented; and model for supply-buying interaction must established. Since we have a lot of small producers, producing in low quantity, agricultural cooperatives could be a good option: members would agree on the division of products for each to produce so that necessary variety and quantity could be guaranteed, for buyers, it would be more efficient to have all products gathered in a single place and to deal with an organized supply entity. A cooperative could include members from different areas of the island, allowing for income distribution. In the particular case of *Barry's*, if we consider that local supply of vegetables and fruits

(between \$150 and \$200) corresponds to 20% of the total, the monthly increase of benefits generated to the poor would be \$600 and \$800. The supply of other addible products should also be incentivized following the same models such cattle production, tofu and fish. In the particular case of fish, since the storage of the product is difficult and people have preference for fresh; a model of direct selling from fishermen to tourists (already used in another area of the country, Tutuala) could be used. Tourists could buy the fish and accommodation places or seafront restaurants would offer the cooking service.

Finally, other local production groups and initiatives should be supported to supply for tourism businesses, such as women's sewing groups supplying bed sheets or curtains (before there was a group in Beloi which stopped due to lack of capacity and support), which was referred by four survey respondents.

2.2.2. Encouraging local initiative, ownership and participation

This is one of the best options to increase the share of tourism revenue going to the poor and it also increases local control over tourism development. Looking at the communities' survey, 74% of the interviewed are interested in starting their own businesses, with accommodation, restaurants, transportation and crafts selling as main choices; however, only 9% said they already had money to start the business. This information could be crossed with the touristic activities planning and locals could be incentivized and supported to create the planned businesses. At last, increasing participation (without ownership) will also increase earnings and can be simply done by creating job vacancies in all businesses and tourism related activities. This can be done at local level, but it is essential that at a higher level rules are established in this sense,

especially for FDI: creation of a particular number of jobs or a particular percentage of all positions to be for local people.

3. Conclusion: Going forward with the identified opportunities

For tourism enhancement in the island a high-level strategy will need to be planned and put into action by the government. However, and as a conclusion we focus on the opportunities that can be immediately addressed at local level that will trigger benefits increase to local communities.

i. Immediate opportunities that to not demand volume increase: This will mainly include stimulating support activities and links: enhancing local supply so that the level of local sourcing can increase, developing the extra activities (most do not require high investment), organizing local boats supply (internal and to Dili).

ii. Creating a local Tourism Association: This step is essential to stimulate and support tourism development locally and to lobby the government for action. An association including all tourism stakeholders and with regulations approved by law, should have the following responsibilities: organizing and coordinating all village-level tourism-related associations (agriculture, boat transportation, guided tours); creating a comprehensive list of all tourism services and activities in the island, promote it to tourists and manage booking at island level; offering training to communities and to NGOs or other entities so that they could replicate it; elaborate tourism planning at local level; cooperate with NGOs or cooperation organisms to establish projects and obtain funding for tourism development; protect local communities interests in tourism development and; lobby for government action (infrastructures construction, external promotion, capacity building, investment attraction and regulation).

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V. Appendixes

1. Table 1: Stakeholder List

Stakeholders Group	Individual Stakeholders	Interview?
Tour operators	International tour operators	No
	National tour operators	Yes
	Local tour operators	There are none
Tourists	Internal tourists	Yes
	External tourists	Yes
Government	Ministry of Tourism Commerce and Industry, Tourism Directorate	Yes
	Sub-district authorities	Yes
	Municipalities (sukus)	Yes
	Women's' representatives	Yes
	Youngsters' representatives	Yes
Relevant community groups	Sewing group	Yes
	Fishermen Cooperative	Yes
	Bonecas de Atauro	Yes
	Biojoias	No
Tourist service providers	Accommodation facilities owners	Yes
	Restaurant owners	Yes
	Dili to Atauro transportation providers	Yes
	Internal transportation providers	Yes
	Foreign investors	Yes
	Crafts makers	Yes
Relevant institutions and entities	NGOs: Roman Luan and MoveForward	Yes
	Donor agencies	No
	Church	Yes

2. Table 2: Price of boats Dili-Atauro

Boat	Ownership	Price in \$
Compass fast boat	Foreign private (Australian)	\$45
Atauro Roo fast boat	Foreign private (Australian)	\$30
Nakroma ferry boat	National public (Timorese & German joint venture)	\$5
Manu Tassi boat	Local private	\$10
Fishermen boats	Local privates	\$5

3. Illustration 1: Illustration of Atauro's Tourism Value Chain

DIRECT SERVICE PROVIDERS

1. Plan & book the trip to Timor-Leste and Atauro	2. Getting to Timor-Leste & Getting to Atauro	3. Sleeping, eating and travelling in Atauro	4. Visit, extra activities and shopping in Atauro
<p>✗ Foreign tour operators: <u>Operating outside the country:</u> Not many organizing trips to Timor-Leste, they are not the major vehicle of tourists into the country; <u>Operating locally:</u> Mainly focusing on outgoing tourism. A few organize inside the country tours, including daily or short trips to Atauro Island.</p> <p>✗ National tour operators <u>Operating outside the country:</u> there are none; <u>Operating locally:</u> The number of active companies is short, there are two main tour operators organizing trips in the country, <i>EcoDiscovery</i> and <i>Timor MegaTours</i> which focus on incoming tourists.</p> <p>✗ Direct self booking: <u>Outside the country:</u> very difficult to get contacts and book for someone that does not know the country so this is not the preferred means. <u>Locally:</u> the vast majority of tourists (internal) organizes and books their own trips through direct contact with tourism service providers (transportation, accommodation).</p>	<p>✗ Transportation to Timor-Leste: <u>Airlines:</u> main way of getting to the country. Currently there is one Timorese and three foreign airlines operating flights to Dili. <u>By land:</u> it is possible to enter the country from West Timor, there are a few Timorese travel agencies running daily buses from Kupang to Dili. <u>By boat:</u> Timor-Leste could be reachable by boat from several Indonesian islands but at this moment there are no commercial routes between Timor-Leste and Indonesia.</p> <p>✗ Dili to Atauro, Beloi-port: <u>Nakroma-ferry boat:</u> public boat with going trip at 08:00 and return at 16:00, every Saturday. <u>Compass taxi:</u> fast boat of an Australian company that runs go-return everyday at 08:00. It can also be chartered for private trips. <u>Manu Tassi:</u> from an Atauro local with variable schedule, normally coming from Atauro to Dili every Monday dawn at 04:00. <u>Atauro Roo:</u> fast boat from an Australian company that runs whenever there is a minimum of 4 people wanting to go; <u>Fishermen boats:</u> running with no predictable schedule and cannot be booked, only directly arranged with fishermen in Dili or Atauro.</p>	<p>✗ Accommodation <u>Ecolodges:</u> <i>Barry's</i> and <i>Tua Koin</i> (currently closed); <u>Guesthouses:</u> <i>Manukoko Rek</i>, <i>Cellia Gracia</i>; <u>Lodges:</u> <i>Trisan House</i>; <u>Houses for rental:</u> <i>Itimuroan Rent House</i>; <u>Campsites:</u> <i>Tua Kunglu Camp</i>; <u>Home-stays:</u> Some local people are available to receive tourists in their own houses but few already do it.</p> <p>✗ Eating: <u>Saturday Beloi market:</u> traditional restaurants in market open while <i>Nakroma</i>-ferry is on dock. <u>Manukoko Rek</u> restaurant: opened every day for lunch and dinner; <u>Barry's ecolodge:</u> if there are guests it is possible for people not staying there to eat there; <u>Trisan House</u> guesthouse: It is possible to eat there by booking in short advance;</p> <p>✗ Travelling: <u>Tuk-tuk:</u> Motorcycle with 3 wheels that can transport up to 8 people (only exists in Beloi – Usu-Bemaçu and Vila) <u>Fishermen boats:</u> no regular schedules or roots but it is possible to make deals with local fishermen to travel around the island.</p>	<p>✗ Visiting: <u>Guides:</u> no agencies or organizations making guided visits to places of interest or but might be possible to contact directly with a local to find a guide;</p> <p>✗ Activities: <u>Boat trips:</u> boat trips can be arranged directly with local fishermen; <i>Barry's</i> ecolodge provides regular trips to Beloi, Akrema and Adara; <u>Snorkeling:</u> Equipment can be rented at <i>Barry's</i>; boats are the same as for boat trips; <u>Trekking:</u> there are many trekking paths, one in particular to mountain <i>Manukoko</i> but there are no organized trips. <u>Diving:</u> many good diving sites but no local diving companies so diving must be booked in Dili; <u>Cultural shows:</u> only one group making traditional music shows in Beloi or Vila and they must be booked at <i>Barry's</i> or <i>Trisan House</i>.</p> <p>✗ Shopping: <u>Boneka de Atauro:</u> local shop that sells traditional dolls; <u>Biojoias:</u> local shop that sells jewelry made with natural seeds; <u>Local crafts:</u> wood statues and other local items can be bought in Beloi's market, at <i>Barry's</i>, or at <i>Manukoko Rek</i>. They might be found in other areas but are concentrated in Vila and Beloi.</p>

SECONDARY SUPPLIERS

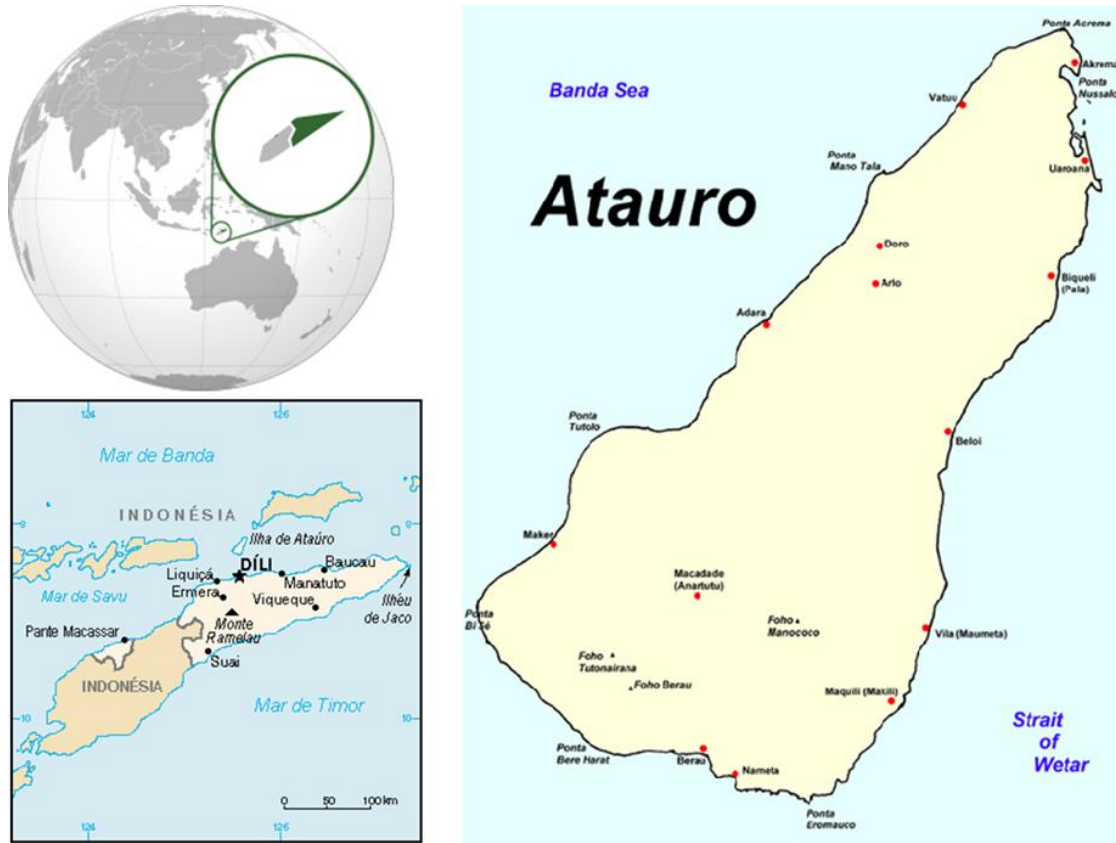
<p>Local farmers & food producers: no professional farming or cattle production, they are done for subsistence and the excess is sold directly to service providers.</p>	<p>Local Fishermen: the majority is not professional, there are some cooperatives but fish offer is irregular and unpredictable. Selling happens directly to service providers.</p>	<p>Local Saturday market at Beloi's Port: Gathering of people from all <i>sukus</i> to sell their products: vegetables, fruit, dry fish and some local crafts.</p>	<p>Local Kiosks and mini market: one big kiosk and one minimarket, both in Vila, supply products bought in Dili at higher prices. Do not sell farming or fresh products.</p>
<p>Dili Supermarkets: provide a wide variety of products and goods</p>	<p>Dili wholesalers: supply a wide variety of products and good at big quantity and lower</p>	<p>Dili local markets: provide a wide variety of vegetables and fruits and are open everyday</p>	
<p>Construction & maintenance: materials supplied locally (lodges) others sourced from Dili (for roads and infrastructures); use of local workers.</p>			

SUPPORT BODIES

<p>Training, advising and supporting: Tourism Department, NGOs, cooperation entities, the church, other institutions and organisms</p>
<p>Planning, promoting, infrastructure development and business support (grants): Government</p>

* 5. Leaving Atauro and returning home: this stage is similar to the phase (2) Getting to Timor-Leste and getting to Atauro. It is not included for simplification

4. Illustration 2: Timor and Atauro Maps



5. Table 3: Accommodation in Atauro

Name	Capacity	Price	Location	Type	Ownership	Observations
<i>Tua Koin Ecologde</i>	16	NA	Vila	Ecologde	NGO	Currently closed due to land property issues
<i>Barry's Ecologde</i>	30	\$32.5 (AI)	Beloi	Ecologde	Foreign private	
<i>ManukokoRek Guesthouse</i>	9	\$10	vila	Guesthouse	Foreign priests	
<i>Trisan House Guesthouse</i>	12	\$15	Beloi-Vila	Guesthouse	Local private	
<i>Cellia Gracia Guesthouse</i>	4	\$15	Vila	Guesthouse	Local private	New – open in February 2012
<i>Itimuroan Rent House</i>	4	\$15	Vila	Rental House	Local private	
<i>Tua Kunглу Campsite</i>	12	\$5	Beloi, Adara	Campsite	Local community	Currently under renovation (new gazebos being built)

6. Table 4: Barry's boat trips prices

Trip Barry's to:	Price \$
Akrema	\$50
Adara	\$70
Beloi	\$10

7. Illustration 3: SWOT Analysis of Tourism in Atauro

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> * Timor-Leste is located in Southeastern Asia, an area in great tourism growth * Atauro is close to the capital, comparing with direct competition (Jaco Island). * Government wants to promote Atauro as focal point for tourism in the country. * Atauro is well-known by foreigners in the country as a touristic spot. * Attributes: pristine beaches; snorkeling and diving spots; trekking; rural hamlets; historic places from Portuguese and Indonesian times. * Famous for the local toys/craft store <i>Bonekas de Atauro</i> that attracts many tourists. * Already some well established tourism SME (i.e. lodges, transportation) that have developed integrated in local communities and generate direct and indirect benefits. * Local NGOs are actively engaged in PPT, with strong action for awareness raising, training and development of community-based activities. * Majority of communities is aware of tourism and more open to it than in other areas of the country: 72% of the interviewed locals are willing to welcome tourist to stay in their own houses * Good perception of the potential impact of tourism on communities since <i>Tua Koin</i> ecolodge was delivering high benefits to the poor (i.e. employment, local sourcing and market access opportunities). * Some locals have successfully developed their tourism SME (many of whom are previous members of the <i>Rolu</i> and/or worked at <i>Tua Koin</i>). * A few foreign investors with already established businesses have further interest to invest (<i>Barry's</i>, <i>Compass</i> fast boat and diving tours, <i>Atauro Roo</i>); and up until now these investors have been sensible to PPT. 	<ul style="list-style-type: none"> * Low awareness of Timor-Leste (and Atauro) as a tourism destination * No promotion or tours' offer on international tour agencies. * Existence of tropical diseases in the country (malaria, dengue, others) * Low awareness of the Atauro's tourism potential (mainly externally) * Difficult external accessibility (limited and expensive flights to the country) * Difficult internal accessibility (few, inflexible, high rate boats to the island) * Weak infrastructures: roads in awful conditions, electricity only in Vila and Beloi-Usu-Bemaçu each two days from 6-12pm; water supply in limited areas and down many times; poor sanitation network; no residual water treatment or refuse management * Restricted internal transportation: <i>tuk-tuks</i> only exist in Vila and Beloi-Usu-Bemaçu, for other areas travelling is done by boat subjected to the sea conditions or walking. * Limited accommodation offer (capacity of 71 beds); the greater part of tourists states that only Barry's offers the comfort and quality of service they look for. * All tourism services are concentrated in the area of Vila and Beloi-Usu-Bemaçu, with almost no tourism activities outside it. * Low human resources capacity in terms of schooling, professional training, language skills or environmental and natural resources preservation. * No strategy or plan for tourism development in the island (from government or any other entity). * No integration or control over tourism initiatives; no entity in charge of these actions tasks. * Lack of incentives and support to local initiative for tourism development. * No laws or regulations over tourism investment (foreign or local). * No protected areas or natural heritage protection rules and no control over tourist actions in the island.
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> * Many types of tourism are viable in Atauro: historic/cultural, adventure, world-level diving spot, ecotourism, community-based tourism, sun sand & sea. * Capitalize on island's positioning to capture weekend travelers: internal tourists (working in Dili or other towns) and external tourists travelling in business to Dili. * Volume of tourists going to the island is already significant (mainly internal) and main accommodations are several times fully-booked. * High potential for growth among external tourists: still vastly unknown but exceeding expectations of majority of tourist travelling there. * More and more flexible boats Dili – Atauro would immediately increase the flow of tourists (mainly internal) * Government will give money grants to locals who have businesses and present a proposal for enhancement. * Infrastructures under development: two roads being rebuilt, water supply being fixed and extended, electricity supply also under extension. * Creating links on the TVC to increase the benefits to the poor: agriculture, cattle and fish supply; extra activities; local products and crafts selling. * Specific date or weekend events to attract tourists and create opportunities for Atauro promotion and communities' engagement: local products and crafts selling, traditional food offer, cultural shows. (Experiment Atauro was a weekend festival in 2011, as an example, Bonekas de Atauro earned around \$1000, 70% more than they do in a normal weekend). * Communities receptive and eager to receive more tourists; on the communities' survey 100% of the interviewed wanted the number of tourist coming to their suku to increase. * Communities want to be part of tourism development: 100% of the interviewed want to participate in at least one tourism activity (direct or indirect) and 74% express interest in starting their own business. * Capitalize on Rolu's capacity to raise awareness and build capacity (already had good impacts: Rogério owner of Trisan House, Mateus owner Cellia Gracia guesthouses were previous Rolu staffs). * Channeling the high volume of young population with secondary school into tourism; many of whom already aware and eager to participate in it. * Foreign investors interested in investing in a PPT manner. 	<ul style="list-style-type: none"> * Lack communities' preparation to deal with tourism growth. * Lack of regulations for property and FDI may lead to foreign domain with high leakages and low benefits to local poor (i.e. boat offer dominated by Australian investors). * Lack of strategy and planning may lead the way for non community-focused businesses or locally undesired types of investments to appear (i.e. big resorts) * Inexistence of clear FDI laws might allow foreign corporations to take-over tourism development with no PPT measures, resulting in high leakages and low benefits to local poor (i.e. big international chains integrating various stages of the TVC) * Non-existence of an entity or organization protecting local communities' interests might allow misleading or prejudicial deals to be made between locals and foreign investors (such as land rental). * Low control over tourism development might conduct to negative impacts: natural resources and environmental hazards, socio-cultural harmful impact. * No control over number of tourists coming to the island might lead to overloading with harmful impacts for locals (too many tourists, more difficult to control). * Direct contact that exists nowadays between tourists and hosts may lead to conflicts in case of misunderstanding or disrespect by the parties (i.e. tourists not following local traditions). * Non existence of protected/restricted areas and no rules on activities that may/may not be performed in the island might allow for wrong behaviors (i.e. camping only be allowed on specific prepared areas; touristic activity in natural heritage areas should be controlled, such as in Akrema reef). * Concentration of businesses and activities in the area of Vila and Beloi-Usu-Bemaçu leads to unequal opportunities for local participation and benefiting and consequently to the asymmetrical development of island communities. * Weak infrastructures that will not cope with tourism growth and might endanger the island environment (i.e. sanitation, refuse and residual water treatment). * Low awareness of what tourism is exactly and what are its possible impacts on local communities (all survey respondents say they want tourism to increase as it will generate income but the majority does not totally understand what tourism is and how it might impact and transform local communities' livelihood)