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**REPUBLICA DEMOCRÁTICA DE TIMOR-LESTE**  
**PPP Best Practices and Identifying Prioritized PPP Areas of Development for Fisheries**  
**(Policies, Arrangement, Opportunities and Challenges)**

Constancio, Timor-Leste

**CTI-CFF Public Private Partnership Preparation (PPP)**  
**Expert-Consultation Meeting on PPP Design and Arrangement**

Aryaduta Hotel

Jakarta, Indonesia

4-5 April 2018





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# National PPP Policies and Arrangement:

## A. Background

Timor-Leste's pristine landscapes, combining temperate, subtropical and tropical climates, provide a huge potential for tourism. Other opportunities exist in agriculture, forestry and inland aquaculture projects. The Timor Sea also provide opportunities the fishing-relates activities, including aquaculture

## B. Legal Institution and Regulatory Framework:

### Fisheries:

The Constitution mandates the creation of a legal, managerial and regulatory framework for the administration of Fisheries. In accordance with this mandate, the government issued Decree-Law No.6/2004 on 21 April 2004 (***General Basis of the Legal Regime for Fisheries and Aquaculture Management and Regulation***) establishing the principles and ground rules for the exploitation and regulation of fishing resources in national waters and high seas as well as that of the establishment and exercise of aquaculture.

### Forestry:

The National Development Plan (2002) assigns the Ministry of Agriculture, Fisheries and Forestry (MAFF) as a government agency having prime responsibility for forestry development. Government Resolution no. 9/2007 concerns the National Policy and Strategy Management for Forestry. In this resolution, the National Directorate of Coffee and Forestry (NDCF) has broad responsibilities for community forestry, watershed management, forest protection, plantation forestry, protected natural areas development and others aspects of forest development. UNTAET Regulation No. 19/2000 designed to protect various natural areas and UNTAET Regulation No.17/2000 which prohibits logging and timber export.

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## Tourism

The main benefits of tourism development as a key strategy for Timor-Leste are:

- Jobs, directly and indirectly, especially for women and youth
- Foreign exchange earnings as an export
- Infrastructure improvement
- Increased revenue
- Protected environment and culture
- Positive image for the country

### Environment:

- The Directorate has overarching responsibility for environmental management in Timor-Leste through authority delegated to it under Decree Law 3/2005 which specifies that it will encourage environmental protection to support the Secretaries of State for Regional Coordination.
- The Government issued the Water Services Decree No. 4/2004 to provide for the management of water services delivery, including provisions for the identification of areas to supply and service user charges



## PPP experiences in **country's name**

*(Please provide examples of past, or existing PPP priority or any projects in your country: governmental solicited and unsolicited projects)*

- What sectors of PPP projects are priority for your Government?

- Fisheries (Capture Fisheries and Coastal resource management)
- Tourism
- Transportation
- Port (sea port and airport)

Private investor are invited and encouraged to come to Timor-Leste and grasp promising investment opportunities in sectors: Oil and gas, mining, agriculture, fisheries, tourism and manufacturing

- Is there any example of solicited projects?

Yes. Tibar Bay port

- Approaches to port development in Timor-Leste

- Is there any example of unsolicited projects?

Roads construction, irrigation, water canalization and education

This slide can be extended if required.



# PPP Opportunities and Challenges in Fisheries Sectors, (particularly in developing a viable fisheries information systems e.g. Catch Documentation and Traceability (CDT))

- Potential PPP projects

- **Infrastructure on Sustainable Fisheries e.g.:**

- Supply chain information and management  
Comprehensively assess present value chains to market and consumers and identify scope for improvement
    - Post-harvest services (processing and cold storage facilities)
    - Fisheries Information Management System (FIMS), includes “On-the-water” IT and Port-based IT infrastructure

- **Potential Financial Schemes? E.g.**

- Microcredit  
Assessment of the technical/ financial feasibility to fisheries specific credit lines, design of approach and methodology for access to credit.  
Banks in Timor-Leste  
Banco Nacional Ultramarino Timor — Grupo Caixa  
Geral de Depósitos (Portugal)  
Australia and New Zealand Banking Group  
(Australia and New Zealand)  
Banco Nacional de Comércio de Timor-Leste  
(Timor-Leste)  
Bank Mandiri (Indonesia)  
Bank Rakyat (Indonesia)
    - .Investment process for project:



# PPP Opportunities and Challenges in Fisheries Sectors, particularly in developing a viable fisheries information systems e.g. Catch Documentation and Traceability (CDT)

*(Please provide insights on, not limited to, the following examples of potential PPP investment areas in fisheries sectors in your country)*

- Challenges PPP arrangement in accordance with the proposed potential projects in the slide before

1. Lack of funding to institution,
2. Limited human resource,
3. Lack of effective governance and
4. Inadequate public awareness
  - Microcredit
  - Investment process for project

Investments in Timor-Leste are regulated by Law 14/2011, the Private Investment Law. The general principles applied are: Free initiative, Equal treatment of national and foreign investors, Guaranteed protection of the investment, Respect for previously signed international

Investors in Timor-Leste may be eligible for incentives, should their investments or re-investments exceed the following amounts:  
Resident national investor: US\$50,000 Foreign or national nonresident investor: US\$1.5 million

#### Procedures:

Following the initial contacts with Trade Invest Timor-Leste, and once the investment decision has been made, the setting up of a company in Timor-Leste is a straightforward process

The Service for Registration and of Entrepreneurs (SERVE), has been created by Decree-Law 35/2012 as the one-stop-shop to handle the administrative process required



## PPP Outlooks

**#The fisheries sector comprised the inshore fisheries, off shore fisheries and aquaculture**

**#**

- Based on your country experience, do you think it is possible and feasible to develop and arrange PPP in fisheries sectors in your country e.g. PPP for improving fisheries information systems such as CDT?
  - IF YES:
    - Fisheries and Aquaculture
    - Fisheries infrastructure and capacity building
  - IF NO:
    - Why?
    - What do you suggest a proper approach, instead of PPP, to develop investment in fisheries sectors?
- What do you suggest the proper way/steps to arrange PPP priority project for your country? Identify potential area, establish working group, capacity building

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