



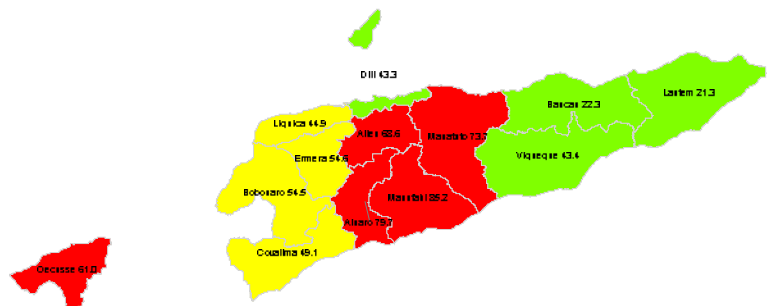
Supporting the Oe-Cusse RAEOA ZEESM

UNDP- RAEOA ZEESM Partnership



Oe-Cusse Ambeno district

- One of the poorest district in Timor-Leste
 - Over 60% poverty level in Oe-Cusse



Source: based on data from the 2007 Timor-Leste Living Standards Survey

Oe-Cusse Ambeno district

- Findings from the situation analysis

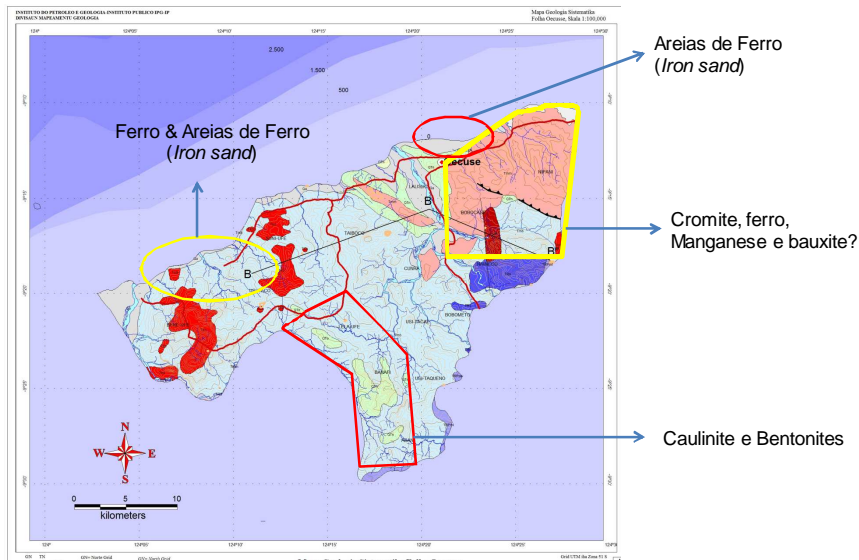
- High level of food insecurity and poverty, Oe-Cusse at the bottom in terms of access to sanitation and among the lowest ranked districts in terms of access to electricity and drinking water;
- Social services are inaccessible or of low quality;
- Infrastructure is in poor condition;
- Lack of access to capital, financial services and quality human resources are stalling local economic growth;
- Unemployment is very high, with half the population over 16 unemployed;

Oe-Cusse Ambeno district

- Findings from the situation analysis

- Main sector of agriculture continues to be at subsistence level.
- Subsistence farming, small-scale fishing and limited cattle trade;
- Yield on crops is low
- Poor farm-to-market connectivity;
- Weaknesses in the agriculture extension services;
- Absence of breeding, veterinary and livestock training centers;
- 52% of forest cover in Oecusse is under the threat, mainly due to the traditional 'slash and burn' farming practices;

Findings by Instituto Petroleo e Geologia



Special Regional Administrative Oecusse Ambeno Authority (RAEOA) and **ZEESM** vision

- Inclusive Development of the Region through priority socio economic activities that promote quality of life and community well being.
- Embedded in Strategic Development Plan 2011-2030 and Programme of the Fifth Constitutional Government 2012-2017, which underline the **importance of special economic zones as a policy instrument** to spur sustainable economic growth
- The vision of the Oecusse ZEESM however, represents a **departure from the usual special economic zone models, in that it proposes an integrated approach** to sustainable, social and economic development.

Special Regional Administrative Oecusse Ambeno Authority (RAEOA) and ZEEISM vision

- Key features of RAEOA and ZEEISM approach
- Integrated multisectoral development that include both rural and urban development
- Regional international engagement to economic growth in Oecusse and TL
- Attracting and holding investors, service providers, and all kind of companies, from all around the globe. All areas surrounding the zone will be developed based on a community and rural development policy.
- Strategically located nearby an airport and a seaport, with easy accessibility to health, education and energy infrastructures.
- Management and the monitoring of ZEEISM's conception and construction will be entrusted to a managing company.
- All the companies accepted in ZEEISM will have to embrace a social responsibility regime.
- Sustainability incorporated in the project: construction/ architecture, means of communication, energy, water supply, etc. and also in community and rural development

RAEOA and ZEEISM Creation

- Law N. ° 3/2014:
- Creates the Special administrative region of Oe-Cusse Ambeno
- Establishes the Special Economic Zone for Social Market Economy (ZEEISM)

Priorities for 2014 - 2015

- Establish public institutions in the region – namely Special Regional Administrative Oecusse Ambeno Authority (RAEOA) and ZEESM Oecusse Ambeno and Ata'uro
- Institutional capacity building for Authority staff and public sector
- Urban and rural planning
- Rural development – reforestation of 10 ha in each of 5 suco- as first phases
- Vocational training in hospitality and construction for 600 youth in Oecusse
- Mahata port extension
- Repairing road from Sakato Pante-Macassar- Lifau and Tono
- Palaban Airport – First phase
- Restoration of Lifau monument, including Fortaleza Chapel
- Water and Sanitation for central zone of Pante Macassar
- Urban roads in Central Zone Pante Macassar
- Rehabilitation of Jardin Santa Maria Pante Macassar and District Administrator's residence up to old Pante Macassar port
- Rehabilitation of ZEESM Residence
- Electricity for urban zones

500 Years Celebration 2015

- Plan for Oecusse Referral Hospital to respond to emergencies
- Create Commission for Coordination between Central Government and RAEOA (Resolutions yet to be approved CdM)
- Address land issues relates to road construction including- proposal detailing compensation for land and property
- Rehousing Plan for those that are in urgent need

UNDP Engagement

- **Policy discussions**
 - Deep engagement with ZEESM Office
 - Participation in field visits and discussions with line ministries
- **Common ground**
 - UNDAF outcomes: *inclusive, equitable, sustainable growth coupled with responsive, accountable governance*
 - Ongoing UNDP support for Oecusse: *Savings Groups (rural development), District Courts (governance)*
- **Technical assistance**
 - International technical advisor to ZEESM

Support since January 2014

Product	Status
Situation Analysis Report and Recommendations	Published
Proposal for Oecusse ZEESM Management Agency	Draft completed
Policy Options Paper for Agile, Responsive Governance in Oecusse	Draft completed
Interim Land Valuation Mechanism	Draft completed
Support for ZEESM Project	Developed; Implementation to begin soon

UNDP Support to ZEESM Project

Support to ZEESM Project

- Time Frame: 3 Year - July 2014 to July 2017
- Overall budget US\$ 9,537 million

Gov: US\$ 9,2

UNDP: US\$ 0,275

UNDP Support to ZEESM Project

Strategy: shaping the pathway for change

- ZEESM represent the political willingness and commitment to use a new policy instrument (special economic zone) for poverty reduction and economic and social well-being in Timor-Leste.
- Biggest success stories for Special Economic Zones show the need to develop not just the Zone economy inside the designated Zone area but contextualize it in the governance and economy outside the zone.

UNDP Support to ZEESM Project

Governance

build institutional, policy and legal frameworks
 leading up to the establishment of the ZEESM
 lay the foundations for an efficient, effective and
 agile regional administration in Oecusse

Sustainable and Innovative Development

put in place sustainable and innovative frameworks
 to develop the overall Oecusse and Atauro rural
 economies and to establish their linkages with
 the Designated Zone Economy

Governance

- Creating a ***Flat, Agile, Streamlined and Tech-Enabled (FAST)*** regional governance structure that minimises hierarchical layers, focuses on policy innovation;
- Investing in ***Empowerment and Enablement*** of the regional administration through appropriate legal, institutional and policy frameworks;
- Placing ***Voice and Accountability*** at the core of the governance models, both for the regional administration as a whole and for the Zone itself; and
- ***Investments in Institutional Capacity***, focusing on systemic issues and skills-building.

Governance priorities

- ***Putting in place a functional, efficient governance structure for the Special Administrative Region of Oecusse.*** This will require:
 - Reviewing the current institutional structures, aligning them with the mandate under the new law
 - Developing and implementing a transition management strategy
 - Carrying out an institutional capacity assessment and identifying measures for closing gaps
- ***Establish an appropriate governance structure for the ZEESM by:***
 - Establishing a Zone Management Company
 - Developing regulatory, operational and financial management mechanisms

Sustainable Development

- Support ***rural and inclusive development*** for improved livelihood opportunities
- Putting in place innovative ***institutional arrangements, models and platforms for business advisory*** to promote, enable and facilitate social entrepreneurship in Oecusse.
- Addressing the critical issue of access to credit by ***developing a range of innovative financing modalities and financial instruments.***
- ***Establishing a tourism based economy in Atauro.***

Sustainable Development priorities

- ***Support the rural economy of Oecusse. This will require***

- formulation of a Rural Development Plan for integrated development of Oecusse that benefits the women, poor, local farmers, small businesses and vulnerable groups

- ***Support the economy of Oecusse and Atauro. This will require***

- Reviewing and improving the business environment in Oecussi, including access to credit.
- Formulation of a Tourism development plan for Oecusse and Atauro.

Thank you

