

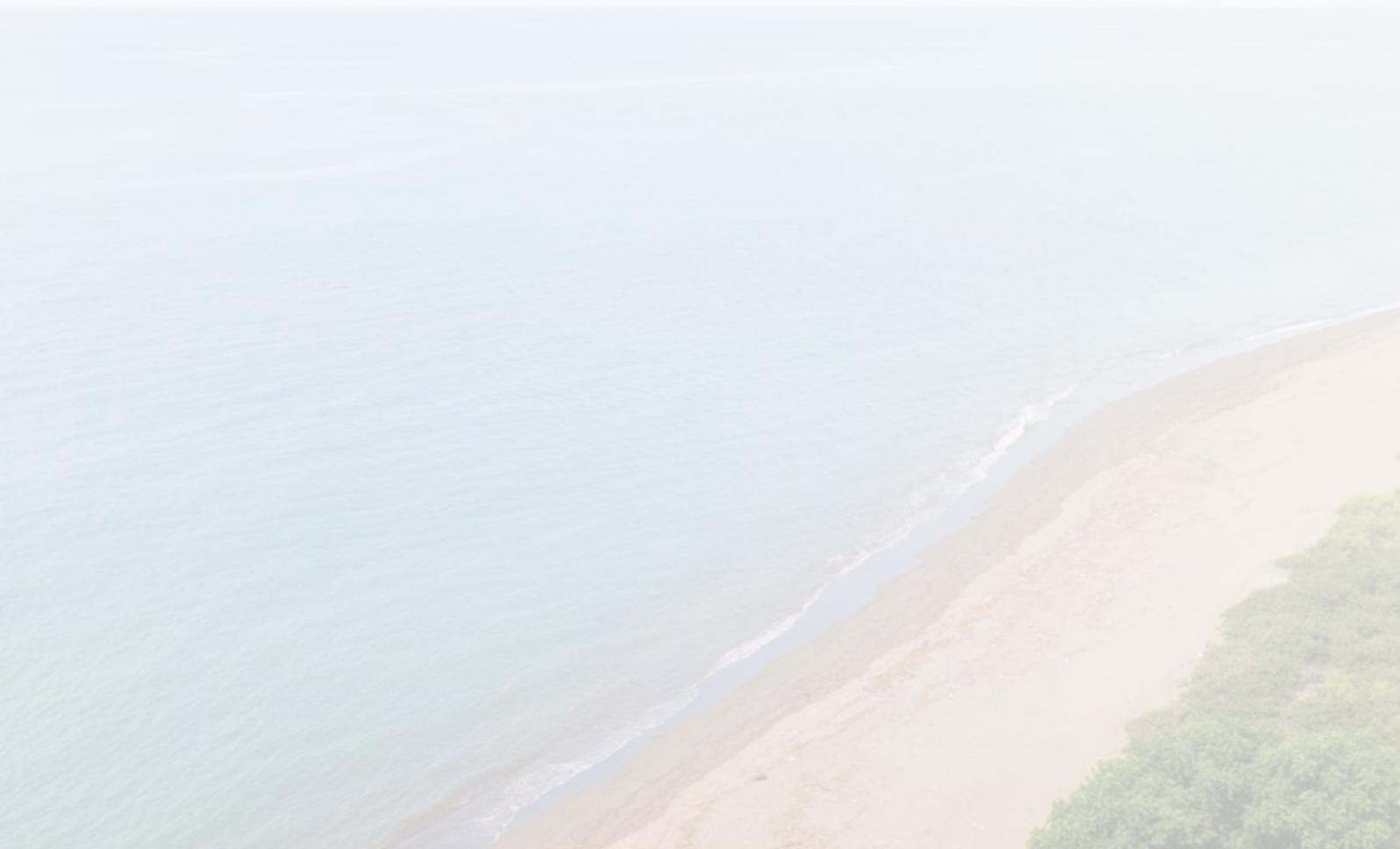
# COMMON COUNTRY ANALYSIS

TIMOR-LESTE 2019



UNITED NATIONS  
TIMOR-LESTE







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# ACRONYMS AND ABBREVIATIONS

<b>ADB</b>	Asian Development Bank
<b>AIDS</b>	Acquired Immune Deficiency Syndrome
<b>ASEAN</b>	Association of Southeast Nations
<b>BEH</b>	Bündis Entwicklung Hilft
<b>BMEL</b>	Federal Ministry for Food and Agriculture (Bundesministerium für Ernährung und Landwirtschaft)
<b>BPS</b>	Statistics Indonesia
<b>DFA</b>	Development Finance Assessment
<b>DHS</b>	Demographic and Health Survey
<b>CAC</b>	Anti-Corruption Commission (Comissão Anti-Corrupção)
<b>CCA</b>	Common Country Analysis
<b>CDP</b>	United Nations Committee for Development Policy
<b>CEPAD</b>	Centre of Studies for Peace and Development (Centru Estudos para a Paz e o Desenvolvimento)
<b>CNE</b>	National Elections Commission (Comissão Nacional Eleições)
<b>DEFRA</b>	Department for Environment, Food and Rural Affairs
<b>DHS</b>	Demographic Health Survey
<b>EGRA</b>	Early Grade Reading Assessment
<b>EIU</b>	Economist Intelligence Unit
<b>EMIS</b>	Education Management Information System
<b>ESI</b>	Estimated Sustainable Income
<b>FAO</b>	Food and Agriculture Organization
<b>FNS</b>	Food and Nutrition Survey
<b>GBD</b>	Global Burden of Disease
<b>GCF</b>	Green Climate Fund
<b>GDP</b>	Gross Development Product
<b>GDS</b>	General Directorate of Statistics
<b>GoTL</b>	Government of Timor-Leste
<b>GPI</b>	Gender Parity Index
<b>HDI</b>	Human Development Index



<b>HIV</b>	Human Immunodeficiency Virus
<b>HMIS</b>	Health Management Information System
<b>IADE</b>	Institute of Business Support (Instituto de Apoio ao Desenvolvimento Empresarial)
<b>IDS</b>	Institute of Development Studies
<b>IEP</b>	Institute for Economics and Peace
<b>IFHV</b>	Institute for International Law of Peace and Armed Conflict
<b>IHR</b>	International Health Regulations
<b>ILO</b>	International Labour Organization
<b>IMF</b>	International Monetary Fund
<b>IOM</b>	International Organization for Migration
<b>IPC</b>	Integrated Food Security Phase Classification
<b>IPU</b>	Inter-Parliamentary Union
<b>IUU</b>	Illegal, Unreported and Unregulated
<b>JICA</b>	Japan International Cooperation Agency
<b>JMP</b>	Joint Monitoring Programme
<b>JPDA</b>	Joint Petroleum Development Area
<b>JSMP</b>	Judicial System Monitoring Program
<b>KONSSANTIL</b>	National Council on Food Security, Sovereignty and Nutrition in Timor-Leste (Konsellu Nasionál ba Seguransa, Soberania no Nutrisaun iha Timor-Leste)
<b>LFPR</b>	Labour Force Participation Rate
<b>LGBTI</b>	Lesbian, Gay, Bisexual, Transgender and Intersex
<b>M&amp;E</b>	Monitoring and Evaluation
<b>MAF</b>	Ministry of Agriculture and Fisheries
<b>MoEYS</b>	Ministry of Education, Youth and Sport
<b>MoF</b>	Ministry of Finance
<b>MoH</b>	Ministry of Health
<b>MSEs</b>	Micro and Small Enterprises
<b>NEET</b>	Not in Employment, Education or Training
<b>NAPA</b>	National Adaptation Programme of Action
<b>NGO</b>	Non-Governmental Organization
<b>ODA</b>	Official Development Assistance
<b>ODF</b>	Open Defecation Free
<b>OHCHR</b>	Office of the United Nations High Commissioner for Human Rights
<b>OPHI</b>	Oxford Poverty and Human Development Initiative

<b>PACSSAP</b>	Pacific-Australia Climate Change Science and Adaptation Planning Program
<b>PDHJ</b>	National Human Rights Institution (Provedoria dos Direitos Humanos e Justiça)
<b>SDG</b>	Sustainable Development Goal
<b>SDP</b>	Strategic Development Plan
<b>SEII</b>	Secretary of State for the Promotion of Equality and Inclusion
<b>SEFPOPE</b>	Secretary of State for Vocational Training and Employment (Sekretaria Estado Polítika Formasaun Profisionál no Empregu)
<b>SMEs</b>	Small and Medium Enterprises
<b>STI</b>	Sexually Transmitted Infection
<b>TB</b>	Tuberculosis
<b>TFR</b>	Total Fertility Rate
<b>UN</b>	United Nations
<b>UNDAF</b>	United Nations Development Assistance Framework
<b>UNDP</b>	United Nations Development Programme
<b>UN</b>	DESA United Nations Department of Economic and Social Affairs
<b>UNDRR</b>	United Nations Office for Disaster Risk Reduction
<b>UNEP</b>	United Nations Environment Programme
<b>UNESCAP</b>	United Nations Economic and Social Commission for Asia and the Pacific
<b>UNESCO</b>	United Nations Educational, Cultural and Scientific Organization
<b>UNFPA</b>	United Nations Population Fund
<b>UN-Habitat</b>	United Nations Human Settlements Programme
<b>UNICEF</b>	United Nations Children's Fund
<b>UNMISSET</b>	United Nations Mission of Support in East Timor
<b>UNMIT</b>	United Nations Integrated Mission in Timor-Leste
<b>UNODC</b>	United Nations Office on Drugs and Crime
<b>UN-OHRLLS</b>	United Nations Office of High Representative for the Least Developed Countries
<b>UNSDCF</b>	United Nations Sustainable Development Cooperation Framework
<b>UPMA</b>	Planning, Monitoring and Evaluation Unit (Unidade de Planeamento, Monitorização e Avaliação)
<b>UNTAET</b>	United Nations Transitional Administration in East Timor
<b>USAID</b>	United States Agency for International Development
<b>VNR</b>	Voluntary National Review
<b>WASH</b>	Water, Sanitation and Hygiene
<b>WHO</b>	World Health Organization
<b>WTO</b>	World Trade Organization



# EXECUTIVE SUMMARY

The United Nations Common Country Analysis (UN CCA) Timor-Leste provides an independent and comprehensive analysis of the country situation and underpins the development priorities of the UN Sustainable Development Cooperation Framework (UNSDCF) 2021–2025. The UNSDCF is the most important UN instrument for implementing the 2030 Agenda on Sustainable Development in Timor-Leste during the next five years.

Timor-Leste has made significant progress in the 20 years since the Popular Consultation that led to the country's restoration of independence in 2002. In particular, gains have been achieved in terms of democracy, human rights, education, health and well-being. However, at the current pace of progress, Timor-Leste may not fully achieve the Sustainable Development Goals (SDGs) by 2030, unless the gains that have been made are protected and progress in lagging areas accelerates rapidly.

The country's political stalemate since 2017 and delays in approving the state budget are affecting the economy. Meanwhile, the economy is undiversified and vulnerable, as it relies predominantly on revenues from oil and gas, which are expected to decrease in the coming years. Timor-Leste also has the highest multidimensional poverty rate among Southeast Asian countries, with disproportionate impacts on vulnerable groups such as women and children. Food insecurity and malnutrition are among the major issues in the country. Despite some progress in tackling these since 2010, the rates are still among the highest in the world. The population is young as a result of high fertility rates: 70% of the population is under 35. This is putting significant pressure on education and the labour market.

Coverage of essential health services is low, with several limitations on access to quality facilities. While the health system continues to evolve, the COVID-19 pandemic has underlined several key vulnerabilities in health systems readiness and response capacities. Additionally, Timor-Leste has been classified as one of the most vulnerable countries in the world to climate change.

The situational analysis, gaps, challenges and risks outlined in this CCA provide the analytical foundation for the transformative priorities identified in the UNSDCF. In order to accelerate implementation of the 2030 Agenda in Timor-Leste, progress needs to be accelerated rapidly with regard to decreasing high poverty levels; nutrition and food security; water and sanitation; availability of and access to quality health care and education and development; sustainable economic opportunities; gender equality; and resilience to climate change.





# 1. INTRODUCTION

The United Nations (UN) Common Country Analysis (CCA) provides a comprehensive diagnostic of Timor-Leste's context and represents the UN system's independent and collective assessment that will guide and inform the development of the UN Sustainable Development Cooperation Framework (UNSDCF) 2021–2025. Although it is a living document and will be updated constantly throughout the next five years, the CCA also serves as the basis for identifying the priority areas in the UNSDCF. The UNSDCF is nationally owned and responds to the demands of Government, development partners and other stakeholders for more strategic, transformative and integrated UN support. During the next five years, the UNSDCF will be the most important UN instrument for implementing the 2030 Agenda on Sustainable Development.

The contextual analysis utilizes the 2030 Agenda on Sustainable Development as the reference framework for understanding the progress, existing gaps, opportunities and challenges *vis-à-vis* the country's commitment to achieving the Sustainable Development Goals (SDGs). The diagnostic provides a succinct overview of where the country stands on each dimension of sustainable development, reflecting on national priorities and needs, and considering the groups that are left behind or at risk of being left behind. It also considers the progress the country has made and the challenges it is facing in implementing the SDGs as well as other regional and global commitments (human rights, gender equality, etc.). The aim is to understand the country's situation, progress, and present and future risks/bottlenecks that may affect its ability to achieve the SDGs. The CCA provides the basis for understanding the transformative changes needed to unlock the country's potential.

The CCA involved a broad consultative process with Government, civil society, the private sector, youth and development partners, among others. A wide range of stakeholders and UN agencies were engaged in developing a multi-disciplinary diagnostic that would provide a cross-cutting and integrated analysis of the SDGs. This participatory process unpacked both the multidimensional nature of the SDGs and the multidimensional factors that underpin development in the country – including human rights; women's rights; peace-building; and the financial, policy and institutional landscape, as well as the regional, sub-regional and cross-border dynamics. In this way, the analysis provides a solid foundation for a well-coordinated and integrated UNSDCF that takes into account a systems approach to development.

Through inclusive and multi-stakeholder engagement processes, the CCA assesses Timor-Leste's implementation of its commitment to "leave no one behind", by identifying the segments of society at risk and the root causes of inequality and exclusion. Using an interdisciplinary approach, the diagnostic provides a thorough analysis of the opportunities in and constraints to achieving the SDGs and their targets by conducting a detailed multidimensional risk analysis, including of the political economic trajectory, monetary and fiscal policy, governance and institutional structures, and capacity gaps and challenges. The diagnostic utilizes data from nationally and internationally officially recognized sources.

The country diagnostic presented in this document has certain limitations. Methodological differences in different sources represent a barrier to rigorous comparisons over time and across sectors. Also, the shortage of reliable and disaggregated data poses difficulties in reporting against the SDG targets and indicators. In relation to SDG 6, on water and sanitation, for example, it is difficult to report against indicators owing to a lack of water testing. With regard to SDG 2, statistics on acute malnutrition should be used with caution because of data quality concerns. Hence, new and improved data are required to improve the monitoring of progress and challenges in achieving the SDGs.





## 2. COUNTRY CONTEXT

**This chapter provides a brief analysis of the main political, human rights, economic, social and environmental trends that shape Timor-Leste's ability to implement the 2030 Agenda. It also includes a brief description of the country's standing in relation to the three dimensions of sustainable development (economic, social and environmental).**

### 2.1. Political situation

Twenty years since the Popular Consultation that led to its independence in 2002, Timor-Leste has made significant progress. The country is at peace and is moving towards an inclusive and consolidated democratic system. In the region, Timor-Leste represents a stronghold of democratic freedom. According to the Economic Intelligence Unit (EIU) in 2018, Timor-Leste ranks the first among Association of Southeast Asian Nations (ASEAN) countries<sup>1</sup> for its level of democracy as a result of the country's improvements on electoral process and pluralism; civil liberties; the functioning of government; political participation; and political culture.<sup>2</sup> Four elections have been held since the referendum, with a decline in violence in each parliamentary election since 2007.<sup>3</sup> The elections have shown sustained high voter turnout (77% and 81% in the 2017 and 2018 parliamentary elections, respectively)<sup>4</sup> with an engaged youth population (51% of registered voters were between the age 17 and 30).<sup>5</sup> Women now hold 38% of the parliamentary seats, one of the highest rates in the world and the highest in Asia and the Pacific.<sup>6</sup>

Since the political instability and violence in 2006, the country has not suffered protracted violence. In that year, violent confrontation between the armed forces and police, triggered by a complex set of political and institutional conflicts, the UN Integrated Mission in Timor-Leste (UNMIT) was initiated to support the stability of the country. Since the drawdown and closure of UNMIT, the country has been stable and the risk of politicization of the security forces remains quite low. The democratic system of checks and balances, albeit fragile, has matured and proven resilient. The country has established independent democratic institutions, including the National Elections Commission (CNE), the National Human Rights Institution (PDHJ) and the Anti-Corruption Commission (CAC).

## The United Nations in Timor-Leste

The UN has played an important role in supporting the democratic process and sustainable development in Timor-Leste. The UN Transitional Administration in East Timor (UNTAET) was deployed from 1992 to 2002 to administer the territory, exercise legislative and executive authority during the transition and support capacity-building for self-government. In 2002, as an independent country, Timor-Leste joined the UN, and a new UN mission was created (UN Mission of Support in East Timor, UNMISSET) to support core administrative structures until UNMIT was put in place in 2006. The 2015–2019 UN Development Assistance Framework (UNDAF) period was the first time since the restoration of independence in 2002 that the UN mandate had focused solely on sustainable development without the presence of a UN peacekeeping or political mission.

Although there has been an absence of violence, volatile relationships between the country's historic leaders still shape day-to-day politics and threaten political and economic stability. The president dissolved the Parliament in 2017 and called for early elections in 2018, triggering political deadlock that affected the country for almost a year, delaying further progress in key areas. The political deadlock continued throughout 2018, when President Lú-Olo refused to approve the budget: most of the year went by without an approved state budget. This limited access to the Petroleum Fund, and the existence of the duodecimal regime<sup>7</sup> severely constrained public spending, reduced recurrent expenditure<sup>8</sup> and weakened public institutions in the first nine months of 2018. This absence of a state budget and the non-functioning of public institutions in 2018 slowed progress towards the 2030 Agenda.

Critically, the political mismanagement of the budget process has continued, demonstrated in December 2019 when the government withdrew the proposal for the 2020 budget and restarted the budget process as a result of tension within the coalition and an anticipated veto from the president and the opposition. In 2018, President Lú-Olo refused to swear in 11 members of the new Alliance for Change and Progress government led by Prime Minister Taur Matan Ruak. More than a year on, not all cabinet members have been sworn in and tensions exist between the National Congress for Timorese Reconstruction and People's Liberation Party government members over the allocation of budgets and responsibilities. If these deadlocks continue to occur in the future, this could be a significant destabilizing factor (see Section 8 on risks). Although there has been little public backlash, the absence of violence should not be taken for granted.



The tension between the government and the opposition is further exacerbated by the situation regarding the country's economic development and use of natural resources (see Section 2.4 on economic context). Development of the Greater Sunrise, or Tasi Mane, project, and whether or not this risky investment brings a return, together with global trends in oil demand and prices, as well as political stability, will shape the country's politics in the next decade. Given that Timor-Leste is highly dependent on oil revenue, with oil representing over 80% of total revenue, the decline of petroleum production, alongside large fund withdrawals beyond the Estimated Sustainable Income (ESI), could threaten fiscal sustainability and have negative impacts on living standards and progress made on the SDGs. This could lead to political and social instability in the near future (Section 8 on risks).

Security sector reform and police reform initiatives have strengthened the national police and helped the country overcome political impasses. Community policing is recognized for its role in improving the performance of the police and improving trust and cooperation between communities and the police.<sup>9</sup> The justice sector remains overloaded and weak, and, while access to justice has improved remarkably since the restoration of independence, it remains problematic for vulnerable groups and survivors of gender-based violence. Despite overall peace, occasional violent outbreaks involving the army and the police and clashes between martial arts groups still occur, although on a smaller scale. Even though the Government banned three major martial arts groups in 2013 as a result of their involvement in violent clashes, the ban did not adequately address the underlying causes of violence, linked to youth concerns about unequal access to employment opportunities, goods and services. While the current leadership in Timor-Leste has done a tremendous amount to bring peace and democracy to the country, ageing leaders and a growing youth population imply that a new generation of leadership will emerge and play a more significant political role.

Although decentralization of public administration has been on the Government's agenda for some time, the delegation of competencies to municipalities remains low. At present, decision-making at municipal level remains limited. The decentralization of public administration remains a highly politicized topic that could trigger further tension among decision-makers. Nevertheless, once the laws that guarantee local elections at municipal level are approved and implemented,<sup>10</sup> and the devolution of power to municipalities begins,<sup>11</sup> this may help unlock the delivery of services in support of 2030 Agenda.

Despite the political impasse and shifting priorities in the Government, there is political commitment at national level to achieve the SDGs by 2030. Accelerating progress on the SDGs requires not only technical expertise and resource mobilization but also political will that triggers wide consultations and open discussions on political and economic development.

## 2.2. Human rights situation

Since independence, Timor-Leste has made considerable progress in integrating human rights throughout the country's processes and systems. Timor-Leste has established a legal framework that firmly protects human rights and it is party to seven out of nine core UN human rights treaties<sup>12</sup> and four optional protocols.<sup>13</sup> However, although the legal framework on human rights is strongly supported by various policy frameworks,<sup>14</sup> the extent to which legal and political commitments on human rights are implemented varies considerably.

While competencies among all sectors have increased over the past decades, the accountability of officials in the security sector and justice system needs to be strengthened. Excessive use of force and ill treatment by the police are serious human rights violations. Given the high tolerance of violence in society, including high levels of violence against children and women, insufficient attention has been given to violence prevention measures, eliminating violence against women and children, and addressing norms and practices that tolerate such violations.

Although the judiciary has grown and extended to a larger number of municipalities, people still find it difficult to access formal justice in a timely manner, given the high number of pending cases. Those in rural communities face additional challenges in accessing formal justice as a result of the high cost of travel to reach the mobile courts, coupled with a poor understanding of the system. The use of traditional justice mechanisms is a matter of concern, since these processes are not necessarily in line with international human rights standards, especially in relation to the protection of women and children's rights.<sup>15</sup>

Poverty and inequality in accessing services and opportunities are other key human rights concerns in Timor-Leste, given the significant level of income poverty and unequal access to services (water, sanitation, infrastructure, etc.).<sup>16</sup> The construction of large infrastructure projects has resulted in internal displacement, violating internationally recognized human rights. Unemployment remains high among youth and in particular those with disabilities. Persons with disabilities are five times less likely to be employed than those without any disability.<sup>17</sup> Women and young people are most likely to experience social and economic deprivation, particularly in rural areas. Children living in rural areas face challenges to exercising their right to education and health: availability of and access to these services remains limited compared with for children living in urban areas. For example, pre-secondary attendance rates in Dili (63.5%) are more than double those of some municipalities, such as Manatuto at 27.3% and Oé-Cusse at 28%.<sup>18</sup> In terms of the right to health, delivery by skilled health personnel, for example, differs remarkably by municipality, from 20% in Ermera and to 85% in Dili, according to the 2016 Demographic and Health Survey (DHS).<sup>19</sup>



Although national policies call for equal access to services and rights, including the execution of rights-based and gender-sensitive approaches to address exclusion, marginalization and inequality, in practice there is a significant gender gap in relation to claiming and exercising these. Lack of institutional capacity to effectively deliver public services accessible to all, coupled with low participation of women in local governance, are among key factors exacerbating the gender gap.<sup>20</sup> The persistence of violence against women, coupled with a significant tolerance for such behaviour, even among women themselves, unless addressed, represents an obstacle to the fulfilment of women and girls' human rights and to the achievement of the 2030 Agenda for Sustainable Development.

The PDHJ – the National Human Rights Institution – was established to advance the human rights framework in Timor-Leste and improve the reporting and monitoring of human rights promotion and protection in the country. Although established to tackle human rights issues and deliver good governance, its operation and programmes are quite often interrupted as a result of delayed disbursement of funds from the Ministry of Finance (MoF).

Timor-Leste is engaging with the UN human rights mechanisms to report on implementation of the UN human right treaties. By 2015, the Government had prepared an initial report on the rights of migrant workers and their families; a report on torture followed in 2017. By mid-2019, the country was finalizing its initial report on civil and political rights and had started preparing its first ever report on economic, social and cultural rights.

Although the implementation of recommendations from some of the reviewing bodies remains limited to date, Timor-Leste has progressed with putting into action the outcomes of the various review processes by the Treaty Bodies, the Universal Periodic Review and the Special Procedures. Significant progress has been made in monitoring human rights issues but there is a need to create a clear monitoring mechanism to track the country's progress on its rights-based and gender-sensitive approaches to tackle exclusion and marginalization. As outlined in the 2019 Voluntary National Review (VNR), the country's commitment to piloting an integrated mechanism for all UN reporting may improve the quality and frequency of reporting on human rights progress. There is also a need to tackle the lack of data disaggregated by gender, age and disability.

### **2.3. Social situation**

Timor-Leste has achieved a significant decline in poverty rates over the past decade, according to all indicators and measures of poverty. The proportion of the population living below the national poverty line dropped from 50.4% in 2007 to 41.8% in 2014.<sup>21</sup> This means that there are fewer people in poverty, even accounting for population growth over this period. However, this result has been geographically uneven, and the declining rate is still not fast enough to eliminate poverty by 2030. Children, especially children with disabilities living in rural areas, are the most vulnerable, with half of all children under 15 years living below the national poverty line.<sup>22</sup> Figures show that the share of the urban population living in poverty (28%) is significantly lower than the share of those in rural

areas living in poverty (47%).<sup>23</sup> Those who are at risk of being left behind live in rural areas, particularly hard-to-access, remote, mountainous regions away from urban centres.<sup>24</sup>

Poverty is multidimensional in Timor-Leste and the country has the highest multidimensional poverty rate among Southeast Asian countries,<sup>25</sup> with 45.8% of the population multidimensionally poor (56% in rural areas compared with 18.2% in urban areas).<sup>26</sup> Poverty and inequality in Timor-Leste are not just caused by lack of income and inequality in opportunity but also the result of limitations related to access to food, quality of water, sanitation, social protection, education, skills, health care and decent work.

In terms of human development, reflecting the country's overall achievement in social and economic dimensions, Timor-Leste's Human Development Index (HDI) ranking has improved significantly.<sup>27</sup> Between 2000 and 2017, the country's HDI value increased from 0.507 to 0.625, a total increase of 23.3%.<sup>28</sup> Timor-Leste's HDI value for 2019 was 0.626, which puts the country in the medium human development category, positioning it at 131 out of 189 countries and territories.<sup>29</sup>

While inequality within Timor-Leste is low by international standards, it has increased marginally, from a Gini coefficient of 0.28 in 2007 to one of 0.29 in 2014.<sup>30</sup> However, Timor-Leste's human development is constrained by gender inequality and significant geographic inequalities. Gender inequality persists, manifested in discrimination and very high levels of violence against women. Violence against women and girls remains one of the most widespread human rights abuses in Timor-Leste: 59% of Timorese women (15–49 years) report having experienced physical and/or sexual violence by an intimate partner in their lifetime and 47% in the previous 12 months.<sup>31</sup> This is well above the global average of 35%. Child marriage remains an issue, with 14.9% of girls married by 18.<sup>32</sup> Crucially, only 35.9% of married women aged 15–49 make their own informed decisions regarding sexual relations, contraceptive use and reproductive health care.<sup>33</sup>

The nutritional status of children under five years of age reveals a significant deprivation affecting children. More than half (58%) of all children under five in 2009/10 were stunted.<sup>34</sup> The 2013 Timor-Leste Food and Nutrition Survey showed that every other child (50%) under the age of five was stunted.<sup>35</sup> Timor-Leste ranked 110 out of 117 countries on the Global Hunger Index 2019, scoring 34.5 based on rates of undernourishment, wasting, stunting and child mortality. This put Timor-Leste in the "alarming" classification. With 36% of the Timorese population suffering from chronic food insecurity, and three municipalities (Ermera, Manufahi and Oé-Cusse) facing severe chronic food insecurity, stunting and food insecurity are severe constraints on human development. The prevalence of under-nutrition in women of reproductive age (15–49 years) is also a main driver of inter-generational cycle of malnutrition in Timor-Leste. Under-nutrition (with a Body Mass Index <18.5) is very high, at 27% for women and 26% for men.<sup>36</sup> Critically, malnutrition among girls contributes to increased risk of delivering low birthweight babies, which continues the cycle of malnutrition among families. Within this context, it is important to note the Timor-Leste is a food-importing country and the lack of access to adequate food is linked to living in conditions of poverty.



Despite the issue of chronic malnutrition, the overall health of the nation has improved substantially, with life expectancy at birth improving by about 10 years since the restoration of independence (from 58.7 years in 2000 to 68.6 years in 2016). Significant progress has been made in improving maternal and child health outcomes (the under five mortality rate is currently at 41 per 1,000 live births<sup>37</sup> and the maternal mortality rate is currently at 215 women per every 100,000 live births<sup>38</sup>). However, these rates still remain highest among countries in the region and disparities exist between municipalities, with higher rates in remote rural areas in particular. Pneumonia and diarrhoea account for 29% of all deaths of children under five years of age.<sup>39</sup>

Coverage of essential health services is low, with about 70% of people in rural and remote mountainous areas and a quarter of households living more than two hours' walk to the nearest primary health facility.<sup>40</sup> Timor-Leste's ability to achieve the SDGs will be determined by its progress in building a strong, robust and resilient health system with adequate capacities and systems for emergency preparedness and response. The evolving COVID-19 pandemic has already highlighted several vulnerabilities in health systems readiness and response capacities. Any large disease outbreak could potentially disrupt the entire health system, reducing access to health services for all diseases and conditions, and could lead to even greater mortality.<sup>41</sup> According to models conducted by the World Bank, the impact of a global influenza pandemic on countries in Asia is likely to lead a 2% drop in gross domestic product (GDP).<sup>42</sup>

Although Timor-Leste has experienced a rapid decline in the total fertility rate (TFR) in women of reproductive age, it remains quite high, and one of the highest in Asia.<sup>43</sup> The TFR in 2015 was 4.5;<sup>44</sup> however, it is notably higher in rural areas (5.1 children per woman) than in urban areas (3.2 children per women).<sup>45</sup> While population projections outline that the TFR is expected to decline further,<sup>46</sup> there is a significant risk of demographic pressure on education (both access and quality) and the labour market if it does not continue to decline rapidly (see Section 8 on risks). Regardless of the population projection, 39% of the Timorese population is under the age of 15 and 74% is under the age of 35,<sup>47</sup> with large numbers of youth entering the working-age population in years to come.

### Demographic dividend

The downward trend in fertility rates could lead to a demographic dividend – a period that occurs when the number of dependent children and elderly people declines relative to the number of workers. Timor-Leste is undergoing a process of demographic change. Mortality and birth rates are both declining considerably and the share of the working-age population (15–64 years) in the total population is increasing (55% in 2015<sup>48</sup>). Currently, Timor-Leste has a very low support ratio, meaning that those in the workforce support many dependent children. The support will rise over the next decades if fertility declines, and, while between 2030 and 2050 the demographic dividend will be over for most Asian countries, Timor-Leste could take advantage of the opportunity.<sup>49</sup>

While Timor-Leste is at the early stages of a youth bulge, a demographic dividend is by no means certain. Favourable dependency ratios do not per se lead to a thriving economy; for this to happen, employment opportunities must be created, and the workforce needs to be healthy and reasonably well qualified. Currently, “Timor-Leste is at risk of missing a demographic dividend because children are not receiving the necessary investments in their health and education that successful demographic dividend countries have made.”<sup>50</sup>

A total of 74% of the population is under the age of 35, and there are currently not enough formal jobs to meet the large number of people entering the labour market. In 2015, 20.3% of youth (15–24 years) were not in education, employment or training (NEET) – 16.8% for males and 23.7% for females. Persons with disabilities are also five times less likely to be employed than those without any disability.<sup>51</sup>

For this ‘youth bulge’ to lead to a demographic dividend, the TFR needs to continue to decline rapidly and decent jobs in productive sectors (i.e. outside of the informal and subsistence agriculture sectors) need to be created. The decline in fertility since 2002 is attributed to reproductive patterns shifting to smaller family sizes, likely supported by broader access to reproductive health services and modern contraceptives, as well as a decline in infant mortality and falling poverty rates. For fertility rates to continue declining rapidly, access to reproductive health services and modern contraceptives needs to increase substantially, alongside continued reductions in poverty and infant mortality. However, in 2019, 26% of women (15–49 years) in Timor-Leste used modern contraceptive methods<sup>52</sup> compared with 58% globally and 62% in the Asia-Pacific region.<sup>53</sup> Crucially, there was less than a 1% improvement in contraceptive coverage rates between the DHS in 2009/10 and that in 2016, highlight the pressing challenge facing the country in reducing fertility rates.

Without a steady decline in fertility rates, Timor-Leste will increasingly face the double burden of an underproductive labour force and a large child dependent population requiring resources. If additional jobs are not created, increased unemployment, underemployment and economic inactivity could become serious problems, affecting social cohesion, economic growth, education and political stability (see Section 8 on risks).

The education sector has improved significantly since the restoration of independence, with strong jumps in attendance. However, the quality of learning is very low, many



children still do not attend pre-school and a large number drop out after primary school with very basic skills. Estimates outline that almost 50% of children with disabilities between aged 3–18 are not in school.<sup>54</sup> Vocational training and tertiary education fail to sufficiently equip youth with the skills and training needed for the labour market.

As a result of rising geographic inequalities in access to jobs, health and education, migration to urban areas is a growing phenomenon in Timor-Leste. Dili's population increased by 20% between 2010 and 2015.<sup>55</sup> Two thirds of this growth was caused by internal migration from other municipalities, with 40% moving for education.<sup>56</sup> Crucially, a quarter (26%) of all youth aged 15–24 living in urban Dili in 2015 had moved to the capital within the past five years, and 8% had moved to Dili City in the past year alone.

Social protection cash transfers are not well targeted or distributed in Timor-Leste, and many vulnerable groups lack coverage or adequate support. The difference between benefit values of various existing government cash transfer programmes is huge – the higher veterans' pension pays 115 times more than the Bolsa de Mãe benefit.<sup>57</sup> In 2011, 60% of the total social assistance budget went to veteran payments, with veterans making up 1% of the population.<sup>58</sup> The total Bolsa de Mãe budget for 2019 was US\$7 million, distributed across almost 61,000 households,<sup>59</sup> at 10 times less than the veterans' pension although it reaches double the number of individuals. Eligibility criteria for Bolsa de Mãe include Timorese nationality, age 17 or over, residing in Timor-Leste for at least a year, assuming parental responsibility and presenting documentation and information to evaluate the family household situation; additionally, the household of the applicant should be qualified as "vulnerable". Issues in verifying eligibility mean that Bolsa de Mãe often excludes those most vulnerable within the eligible population.

International experience has taught us that, to have real impact on the level of consumption of poor households, cash transfers should, at least, amount to within 15–20% of the average household income. None of the cash transfer programme benefits in Timor-Leste falls within this parameter. The benefit from *Bolsa de Mãe* represents a tiny fraction of most of the measures it was compared with; even its highest result – against the poverty line – represents little more than 10% of the poverty line. This leaves little question that the benefits offered by the programmes are below an adequate level to have an optimum impact on poverty reduction. Thus, none of them provides adequate support for vulnerable families, despite their goal to achieve this.

While the Government's prioritization of social transfers to veterans as a means to secure and maintain peace is understandable given the political context, 20 years since the independence struggle this approach may not be socially or financially sustainable over the long term. Spending on education as a percentage of non-oil sector GDP is decreasing each year, while the Ministry of Health (MoH) and the Ministry of Agriculture and Fisheries (MAF) combined accounted for just 4.4% of the 2017 national budget. Combined with falling petroleum receipts, the level of funding to social assistance is no longer fiscally sustainable, yet vulnerable groups are still able to access adequate social assistance. Marginalized communities, youth and disenfranchised veterans who

no longer benefit from the oil windfall could resent the growing inequalities between veterans' families, the political elite and non-veterans. This could pose a serious challenge to the stability of the country's institutions and social fabric (see Section 8 on risks).

## 2.4. Economic situation

### Economic growth

**Although Timor-Leste is one of the youngest countries in the world, the economy has grown significantly in the past 20 years. However, the pace of growth has been decelerating since 2011.**<sup>60</sup> GDP per capita declined by an average of 4.2% per year between 2002 and 2006 but subsequently recovered to a strong 8.3% growth between 2007 and 2010.<sup>61</sup> Between 2011 and 2016, per capita growth decelerated to about 2.4%.<sup>62</sup> The economy contracted in 2017 as a result of the political impasse and a reduction in public spending. The economy also contracted in 2018, with GDP declining by 0.8%.<sup>63</sup> This was because of to the economic and political uncertainty caused by the delay in approving the 2018 state budget, which was not passed until September 2018. Although the economy was expected to start recovering in 2019, the decision to withdraw the proposal for the 2020 budget and restart the budget process may lead to a slowing of the economy in the first quarter of 2020.

Petroleum **revenue** made up 81% of all domestic revenue in 2016, followed by revenue from taxes (13%) and non-tax revenue (6%).<sup>64</sup> This makes Timor-Leste "one of the most natural resource-dependent countries in the world".<sup>65</sup> At its peak, the offshore oil and gas sector made up over 90% of total revenue – a greater dependency than for other heavily oil-dependent economies such as South Sudan, Saudi Arabia or Equatorial Guinea.<sup>66</sup> **Public expenditure** in Timor-Leste is financed largely through Petroleum Fund assets. Although petroleum receipts have contributed to significant growth in the past, they have been falling since their peak in 2012, as a result of the producing fields going into decline and a drop in international oil prices. Current estimates suggest that petroleum reserves from existing fields are expected to run out by 2022/23, although some industry experts expect fields to run dry as early as mid-2020.<sup>67</sup> The potential of the Greater Sunrise/Tasi Mane oil and gas field is still uncertain and it may take seven to nine years to start production<sup>68</sup> – and this assumes that the construction of the deep-sea pipeline goes according to plan.

**Fiscal sustainability** is a growing issue. Offshore petroleum production from the Bayu-Undan field is expected to stop in three to four years. An unsustainable policy of spending from the Petroleum Fund now may lead to a complete run-out of its reserves in the next 10–13 years.<sup>69</sup> While Tasi Mane/Greater Sunrise is expected to be one of the main revenue streams in the next years, it is not clear how these investments will be financed. According to a debt sustainability analysis conducted by the International Monetary Fund (IMF), Timor-Leste is currently at a moderate risk of debt distress. This reflects "a projected increase in concessional borrowing to finance frontloaded infrastructure spending, in line



with the authorities' strategy to moderate the drawdown of the assets of the Petroleum Fund". The IMF also outlines that existing expenditure plans are unsustainable and that the Petroleum Fund will be depleted in the long term as a result of the large excess withdrawals.<sup>70</sup> According to the World Bank, "withdrawing significant resources from the Petroleum Fund for that purpose would contribute to a much faster depletion of its assets and further threaten fiscal sustainability".<sup>71</sup>

According to the same World Bank report, while the Petroleum Fund has been a remarkable resource and cushion for the Timorese economy, and has dominated the funding for sustainable development financing, the reliance on the oil economy makes the country vulnerable to changes in global oil prices and when petroleum receipts start to run dry. According to the World Bank, Timor-Leste's current account deficit (the value of the goods and services imported exceeds the value of the products exported) remains a key medium-term concern. A large current account deficit increases vulnerability to shocks and can lead to economic crises. Although the current account balance has improved to 12% of GDP, this has owed predominantly to an increase in primary income, higher oil prices from the Joint Petroleum Development Area (JPDA) and investment income from the Petroleum Fund. Timor-Leste's current account deficit is still high compared with other countries in the region and is driven by a high trade deficit. The income from the petroleum sector has mostly offset trade deficits, but not since 2016. When petroleum reserves are depleted (expected in 2023), the deficit will worsen significantly, rapidly increasing the country's economic vulnerability. This could lead to further withdrawals from the Petroleum Fund to fund the large import bill (see Section 8 on risks).

Overall, total **exports** amounted to about US\$122 million in 2018, which only covered about 12% of total imports (over US\$1 billion).<sup>72</sup> Increasing exports is crucial to ensure the sustainability of the trade deficit, as the deficit is essentially financed through petroleum resources. Coffee accounts for about 95% of all exported goods.<sup>73</sup> According to the World Bank, in addition to developing the coffee and vanilla industries – both important export commodities for Timor-Leste – forestry products such as high-value hardwoods, candlenuts and coconut, spices and legumes are also export commodities that offer growth potential. The price of vanilla (fresh bean) at the farm gate has increased significantly, from US\$7 per kg in 2015 to US\$57 per kg in 2018. Such diversification will have to consider employment and environmental impacts to ensure decent work, in addition to appropriate revenue generation, whereby the private sector and international investors pay their fair share through taxes and purchasing prices.

**Although agriculture** is the backbone of Timor-Leste's non-oil economy, providing direct employment for 64.2% of the workforce<sup>74</sup> and contributing 17% of non-oil GDP,<sup>75</sup> productivity is very low. However, this is a reduction from 2008, when agriculture contributed 27.2% of GDP.<sup>76</sup> It is worth emphasizing that the reduced importance of agriculture is not an indicator of Timor-Leste's developing economy but has been driven by an expansion of public services and construction (which in itself is driven mainly by public sector investment). Between 2004 and 2015, the share of agricultural gross value-

added fell from 30% to 18%, while gross value-added from the construction and public services sector rose from 16% to 42%, making the public service the largest contributor to the non-oil economy.<sup>77</sup> Agriculture is a vital sector and has the potential to reduce poverty and enhance food security and nutrition; however, agricultural productivity is very low compared with in neighbouring countries with similar agro-economies.<sup>78</sup>

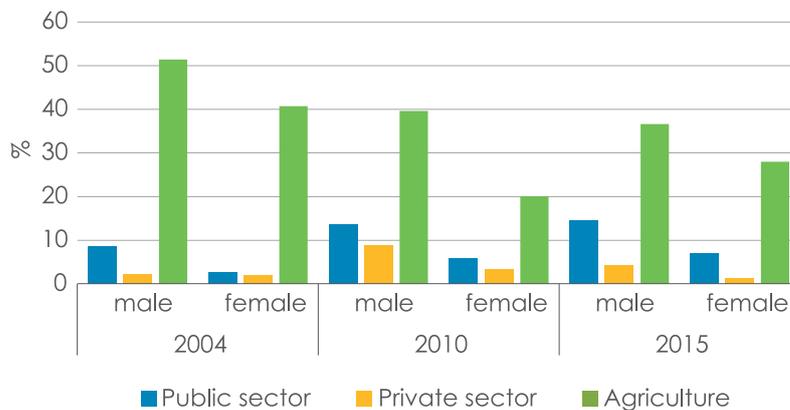
A pressing infrastructure issue is the lack of fast, affordable and reliable **broadband internet connections** in the country, a vital requirement for private sector and e-commerce growth. Only a quarter (25%) of the population reported using the internet in the past 12 months.<sup>79</sup> The costs of data and the connection speed are among the worst in the world, as a consequence of reliance on slow and expensive satellite services. However, the Australian government has recently stated that it will fund (potentially through a loan) the laying of a first sub-sea fibre optic cable connection.<sup>80</sup> Faster and more reliable internet connectivity has the potential to radically transform Timor-Leste's economy, and could have a positive impact on sectors such as tourism, agriculture and education. Information provided by Timor Telecom from sales data shows that the overwhelming majority of people use non-smartphones, and are thus not connected to the internet; this is particularly the case in rural areas. Women in Timor-Leste account for only 35% of social media users, indicating a disparity of internet access between men and women.<sup>81</sup>

## Employment

While the labour force participation rate (LFPR)<sup>82</sup> more than doubled between 2010 and 2016, from 24% to 46.9% (53% for men and 40.6% for women), notably over 50% of the working-age population is not economically active. In 2013, 21.9% of youth aged 15–24 were unemployed – 25.3% of young men and 16.7% of young women.<sup>83</sup> Agriculture provides direct employment for 64.2% of the workforce, followed by Government, which provides employment for 13.5%<sup>84</sup> (see Figure 1). The low level of educational attainment of those who are employed reveals key concerns about building the human capital needed to drive economic growth. More than half (56%) of those in employment either have no formal education (34%) or have only primary education (20%).<sup>85</sup> Furthermore, employment rates are higher for those with no or low levels of education than for those with secondary or tertiary education, given weak demand for skilled workforce in the country. Men and women show a 15% difference in LFPR but with a wider disparity in secure employment. Of total employment, 73.6% of women are own-account workers (self-employed) or contributing family workers (50.9% own account, 22.6% contributing family worker). This compares with 47.2% of men (37.3% and 9.8%). These two kinds of work are considered vulnerable employment given the difficulties in regulating for employment standards and the high risk of exploitation. Women perform contributing family labour throughout their lives, whereas men largely perform this labour as youth, and to a lesser degree in old age.<sup>86</sup>



**Figure 1: Employment rates by sector, 2004, 2010 and 2015**  
 (% of working-age population, 15–64)



Source: GDS, 2015; World Bank, 2018b

### Private sector

It is important to note that the jobs that have been created are predominantly in the public sector and that economic growth has been driven largely by public expenditure, financed by petroleum revenue. The private sector remains weak in Timor-Leste and has not generated sufficient jobs or driven new areas of growth. Although engagement of the private sector is key to close the gap in financing the SDGs, private finance does not play a big role in the country's economy.<sup>87</sup> A lack of reliable data on local and foreign investment flows and a poor business and regulatory environment, coupled with limited access to financial credit, are the major obstacles to private sector growth. Since 2006, private sector credit has been declining, reaching 21% of GDP in 2016, leaving an estimated credit gap of US\$409 million. Around a third of small and medium enterprises (SMEs) in Timor-Leste were unserved or underserved by the financial sector.<sup>88</sup> The agriculture sector holds the largest share of the private sector bank credit, and lending increased from under US\$10 million in 2003 to US\$227 million in 2017. However, private sector bank credits develop in line with overall growth, and, as a proportion of GDP, the lending trend is decreasing. The majority of people employed in the private sector work in Dili (79%), where the wages are higher (average US\$3,400 per annum) compared with the municipalities (average US\$1,600 per annum).<sup>89</sup>

Timor-Leste's application for membership of the **World Trade Organization (WTO)** and **the Association of Southeast Asian Nations (ASEAN)** may bring notable benefits to the economy and increase the country's access to international markets. However, fully availing of these memberships will require a proper identification of products and services where Timor-Leste has a comparative advantage. Further investment in the country's human capital will be vital to ensure that the necessary skills, knowledge and technology are acquired to compete in these markets. Currently, Timor-Leste is still far from being an industrialized economy; in 2016, **manufacturing** value-added was only 1% of overall GDP,<sup>90</sup>

probably the lowest share of GDP in manufacturing in the world.<sup>91</sup> However, investing in productive labour-intensive manufacturing processes, with low skill requirements, has the potential to lead to significant job creation, particularly for women, given their strong participation in the sector according to the World Bank in 2018.

Achieving the SDGs by 2030 requires annual investments across sectors and industries. Given limited oil reserves in the country,<sup>92</sup> the drop in the price of oil in the international market, the potential decrease in revenues from oil production and excessive withdrawals from the Petroleum Fund,<sup>93</sup> the country needs to diversify the economy and channel available domestic and international finances in order to achieve sustainable economy growth and continue gains in poverty reduction. **Diversification of the non-oil economy**, while expanding the productive sectors (including sustainable agriculture, manufacturing, tourism, etc.), is key to mitigating the country's dependency on the petroleum sector. While the Greater Sunrise/Tasi Mane project is expected to be one of the main revenue streams for the country's economy for the next years, the large upfront investments required for its initiation may be a huge fiscal burden for the country.<sup>94</sup> Whether the project will boost the country's economy growth or whether it will be a poor investment deepening financial dependency is yet to be seen.

## 2.5. Environmental situation

**Timor-Leste is highly vulnerable to natural disasters such as cyclones, earthquakes, wildfires and landslides<sup>95</sup> as well as the consequences of rising sea levels as a result of climate change. At the same time, the country has limited capacity to cope with and adapt to the health and environment impact of these disasters, should they occur.** The country is ranked 15th among the countries at highest disaster risk<sup>96</sup> and is expected to be affected by a changing climate in the future. Marginalized groups, such as women, children, migrants and persons with disabilities, and those living in disaster-prone areas are at a higher risk of being affected by disaster. Apart from the damage to infrastructure, climate change contributes to decreased agricultural production, soil degradation and infertility, coral bleaching and coastal erosion, threatening the livelihoods of local communities and forcibly displacing them to urban areas for better opportunities.<sup>97</sup>

**Climate change and exposure to natural disasters poses significant threats to the health and livelihoods of Timorese people in the coming decades.** Extreme weather events (such as heavy rainfall, flooding, drought and increased temperatures) will increase the transmission of water- and vector-borne diseases, food insecurity and under-nutrition, as well as heat-related mortality. Vulnerable populations (pregnant women, children and the elderly) will be particularly susceptible, with some pockets of the country classified as more vulnerable based on biophysical, social and economic data. Timor-Leste's underdeveloped water and sanitation infrastructure not only increases health risks but also causes environmental risks and threatens people's livelihoods. Nearly three quarters of households (78%) have access to at least basic drinking water sources.<sup>98</sup> However, the availability of



water throughout the year is largely compromised by the drying-up of sources owing to prolonged drought. Moreover, other than limited verifications, water quality surveillance is not present in the country and testing for water quality is inadequate (see SDG 6).

Access to basic sanitation has improved, and nearly half of all households (54%) now have access to basic sanitation.<sup>99</sup> While these improvements are encouraging, more than a third (38%) of all households are still either using an unimproved toilet facility or practising open defecation. A quarter of all rural households are still practising open defecation. While the Government is targeting Open Defecation Free (ODF) status by the end of 2020, and has made progress towards this goal, there is a risk that the ODF status in municipalities will not be sustained (see SDG 6). In rural areas, inadequate irrigation infrastructure, lack of water storage capacity and systems, and limited access to technology and skills pose major challenges to the alleviation of water stress during the dry season. Inadequate drainage in rural areas heightens the risks of flood, erosion and landslide. In urban areas, in particular in Dili, poor drainage increases the risk of flooding through blockages while also leading to serious pollution and health risks.<sup>100</sup> There are no national data on SDG indicator 3.9.2, which covers mortality rates owing to unsafe water and other pollutants; however, a comprehensive National Environmental Health Strategy 2015 is in place to prevent and control environmental health risks.

**Climate change not only will affect the occurrence of natural hazards but also may exacerbate already occurring environmental degradation.** Land degradation, widespread and increasing soil infertility, mainly as a result of unsustainable agricultural practices (slash and burn, monocropping), deforestation and destruction of coastal ecosystems (such as mangroves and wetlands) already present major issues in the country. Forest cover has declined steadily since the 1970s and the current deforestation rate is about 1.3% per annum. Given population growth, deforestation rates may go up to 1.8% in the future.<sup>101</sup>

Shifting slash-and-burn cultivation, uncontrolled fires and free grazing of livestock are recognized as the top contributors to deforestation. In slash-and-burn cultivation, forest vegetation is cut during the dry season and the newly opened land is cultivated, typically for one to seven years. While newly opened lands are particularly fertile, soil fertility declines rapidly and weeds invade the uncovered land. Farmers choose another area to “slash and burn” and the initial land is typically left fallow for three to five years, leading to free grazing and uncontrolled fires that prevent the regrowth of forest tree species and suppress local perennial grasses.

Deforestation can affect economic diversification in two ways. First, the slash-and-burn system leads to low yields, loss of soil fertility and degradation of land, which keeps markets small, farmer incomes low and food security and poverty prevalent. Second, the fallow land rotation system means farmers and agricultural communities need to control 5–10 times more land than they cultivate in any given year. This creates vast areas of nearly unproductive land, as aggressive weeds invade degraded forest, which becomes poor grazing areas deprived of marketable forest products.

Meanwhile, desertification and salinization negatively affect productive agricultural lands and livelihoods along the coast, and lead to forced environmental migration.

This absence of sustainable food production systems and agricultural practices that can adapt to changing environmental conditions is putting pressure on natural resources. There is a need for more gender-sensitive, sustainable, climate-smart, disaster-resilient and locally appropriate livelihood options.<sup>102</sup> This will require supporting the country to move from a largely subsistence-oriented agriculture sector and to develop small-scale agricultural businesses, while improving the resilience of rural areas, with implications for education and skills-building.

**Around 90% of the land in Timor-Leste is governed by customary land tenure systems and is not formally registered.**<sup>103</sup> The new land package was enacted in June 2017 to establish the official tenure system and settle overlapping claims on ownership, derived mainly from the displacements and burn-down of the cadastre during the crisis in 1999 and 2006. As yet, the new land laws have not been fully implemented, since the drafting of the secondary legislation is still in progress. An estimated 10% of the entire territory is under dispute,<sup>104</sup> much of which has remained unresolved for years and often disrupts peace and security in both urban and rural areas. In municipalities such as Ermera and Ainaro, most households perceive tenure security to be high, compared with in Dili, where perceived tenure security is low. Despite this, there are still indications that households in rural areas do not feel completely safe in terms of tenure security.<sup>105</sup>

Weak and unsustainable land management goes in parallel. While over 70% of the population is dependent on land for their livelihood,<sup>106</sup> only 40% of the land is suitable for crops and/or livestock and only about 80% of this arable land is currently being used.<sup>107</sup> As a result, only a quarter of the population is considered food-secure.<sup>108</sup> Food, security and land disputes have the potential to be a destabilizing factor if efforts to achieve food security and the promotion of food system-based livelihoods are not strengthened (see Section 8 on risks). Considering that population density in rural areas is low (55 inhabitants per km<sup>2</sup>) and pressure on land resources remains moderate, planning and sustainable management based on a sound tenure regime could significantly improve welfare and food security. From a gender perspective, it is overwhelmingly men who control land, as traditional practices prohibit women inheriting it, and in some cases widows must hand over their land to a male heir and have no rights to participate in traditional decision-making processes.<sup>109</sup>

**Climate-related disaster risk in Timor-Leste is largely driven by vulnerabilities and lack of coping capacities.** The World Risk Index shows that, while exposure to natural hazards is comparably low, it is the country's vulnerability and lack of coping capacity that are the main driving factors of disaster risk in Timor-Leste.<sup>110</sup> It is this lack of disaster preparedness and adaptive capacity that implies that environmental issues are highly likely to spill over to other sectors and significantly reduce progress on other SDGs, in particular SDGs 2, 3, 4 and 8. The lack of climate-proofed and disaster-resilient public infrastructure (school, roads, sanitation systems, water supply and roads) has economic and social implications, during both "normal" and extreme events, and poses significant challenges to disaster



response. This is likely to affect already vulnerable groups living in mountainous and rural areas, heighten health inequalities, further exacerbate the exclusion of disabled groups and lead to increases in health issues, unemployment and food insecurity as people are unable to travel to work, to health clinics and to the market. Disaster contexts also increase rates of violence against vulnerable groups, with notable increases against women related to their compromised domestic role. Inadequate funding for public infrastructure and lack of maintenance have negative impacts on the sustainability of the infrastructure assets, and it is very likely that a disaster will place enormous pressures on services, exacerbate existing inequalities and reverse progress made on nearly all SDGs.

**Land degradation, most notably deforestation, is occurring in many parts of the country.** In combination with climate change, deforestation will lead to increased hazard exposure, as important ecosystem services are being lost.<sup>111</sup> At the same time, climate change may lead to further land degradation, including through the impacts of increased dryness as well as sea level rise, straining water resources and potentially leading to desertification and salinization,<sup>112</sup> with direct impacts on people's livelihoods. Erosion from deforestation, in particular of the mangrove forests and riparian vegetation, is having a negative impact on the country's marine and aquatic ecosystems, causing recurrent flash flooding of some coastal areas.<sup>113</sup>

**Unplanned urbanization, migration and demographic pressures can exacerbate environmental challenges. Problems around the sustainability of uncoordinated urban growth are already visible.** Water is a pressing issue in Dili, with water demand estimated to be 160,000 m<sup>3</sup> per day by 2030, roughly three times larger than the current water supply capacity; the amount of wastewater to be treated is estimated at 140,000 m<sup>3</sup> per day, of which only a fraction is currently available.<sup>114</sup> Concerns around urban sanitation will also come under pressure from unplanned urbanization and demographic pressures. Currently, only 43% of the urban population has access to basic hygiene facilities; 23.1% of the urban population has limited sanitation and 72.3% has access to only limited or basic sanitation.<sup>115</sup>

**In 2010, around 20,690t of plastic was released in the water; if not addressed, this amount is expected to rise to 64,205t by the end of 2025.** It is estimated that, owing to mismanagement, around 56.6t is released daily into the water and enters the marine environment.<sup>116</sup> Despite the presence of some recycling companies in the country, mainly recycling plastic bottles, paper and steel, efforts are insufficient to close the gap in waste management. According to a 2012 World Bank study, there is an estimated average solid waste generation of 0.79 kg per capita.<sup>117</sup> While waste oil is estimated at 247,500 litres per annum, an estimated 13% of the country's waste stream is made of plastic, with daily generation of approximately 68.4t of plastic waste, out of which 7.5t may comprise polyethylene terephthalate or high-density polyethylene.<sup>118</sup>

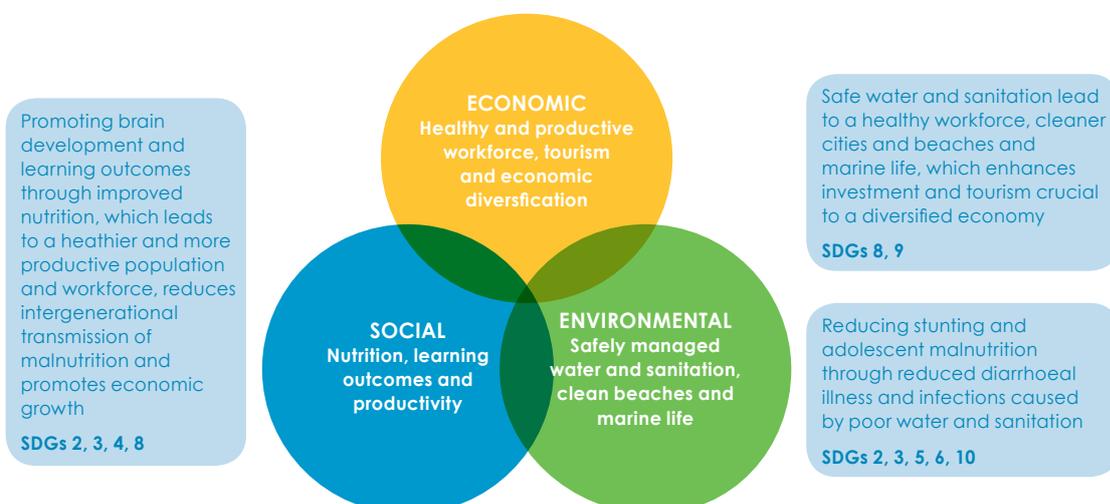
**Timor-Leste's coastal and marine ecosystems remain threatened by destructive fishing practices, illegal fishing, overfishing, pollution, erosion, land degradation and climate change.** Careful management of these resources is key to promote tourism and the economy, and ensure that women, children and lowland rural and poor communities

are not left behind. Only 1.36% of the total marine area is considered protected, which is quite a way below the average at global and regional level. Sewage and solid waste discharged into the waterways find their way to the sea, threatening aquatic species and polluting the coral ecosystems, with Tasi Tolu, Baucau, Cristo Rei, Jaco Island and Metinaro the most affected localities. Population growth and inadequate infrastructure for water supply and sewage water management in urban centres lead to excessive pollution of coastal environments.<sup>119</sup>

**Overfishing, linked to demand for fish by the coastal population, remains a continuous threat for the marine ecosystem.**<sup>120</sup> Molluscs and sea turtles are threatened by overharvesting in at least 11 districts in Timor-Leste.<sup>121</sup> Illegal, unreported and unregulated (IUU) fishing, including significant trans-boundary fishing, is a serious threat to fishery resources. MAF estimates losses from IUU fishing at a cost of US\$40 million per year.<sup>122</sup> While the fisheries sector represents a relatively low percentage of Timor-Leste's total GDP (i.e. 1.25%<sup>123</sup>), it contributes significantly to coastal communities. Nearly 10,000 artisanal fishing families, as well as the populations of many non-coastal communities, are heavily reliant on fish as an affordable source of protein and income. High demand for fish by coastal populations, coupled with weak enforcement capacities and inappropriate fishing regulations, are the primary causes of overfishing.<sup>124</sup> These unsustainable fishing patterns remain a serious threat to the aquatic ecosystem.

**Despite the risk that climate change brings to Timor-Leste, climate change and environmental issues are not high on the political agenda.** Despite the existence of key policy documents,<sup>125</sup> there is no real public or political debate regarding climate change, the production and consumption of the country, the role of sustainable agriculture, and what government and society should do to mitigate improve resilience to climate-related events and other disasters.

### Inter-linkages between three dimensions of sustainable development: economic, social and environmental – links between SDGs 2, 3, 4, 6 and 8





### 3. NATIONAL VISION FOR SUSTAINABLE DEVELOPMENT

**Timor-Leste's vision for sustainable development is outlined in the Strategic Development Plan (SDP) 2011–2030.** This states that the country's aim is to transition from low- to upper-middle-income country status by 2030, with a healthy, well-educated and safe population.<sup>126</sup> The Government of Timor-Leste remains committed to achieving the 2030 Agenda on Sustainable Development, placing state-building, social inclusion and economic growth at the core of the SDP. Capitalizing on four main pillars – social capital, infrastructure, economic development and institutional framework – the SDP provides the roadmap for the country to achieve its vision of becoming an upper-middle-income nation by the year 2030. Developed through a consultative process in the country, the SDP was designed for delivery in three implementation phases: Phase 1 (2011–2019), Phase 2 (2019–2025) and Phase 3 (until 2030). However, effective implementation only started at the end of 2012, so Phase 1 covers 2013–2017 and Phase 2 2018–2022.<sup>127</sup>

**Timor-Leste has been vocal in its support for the 2030 Agenda since its inception.**

The Government of Timor-Leste adopted the 2030 Agenda and the SDGs through a government resolution on 23 September 2015. The SDGs were subsequently ratified by a resolution of the Parliament, and a formal directive established a working group on SDG implementation chaired by the Prime Minister's Office. A decree in 2016 mandated that the SDGs be reflected in annual plans and budgets. The SDG Working Group assessed the alignment of the SDP 2011–2030 with the new goals and targets of the 2030 Agenda. A roadmap for implementation of the 2030 Agenda and the SDGs was produced in 2017, through a consultative process.

**Although the SDP pre-dates the creation of the SDGs, the SDP is the country's primary means of achieving the SDGs.** An important element of Timor-Leste's approach to achieving the SDGs is to sequence and focus attention on priority SDG targets and indicators in line with the phases of the SDP. Phase 1 of the SDP focused on the development of human resources, infrastructure and institutions. In Phase 2, the emphasis is on economic competitiveness. In Phase 3, the focus is on ending poverty, diversifying the economy and strengthening the private sector.

**In July 2019, Timor-Leste presented its first Voluntary National Review at the UN High Level Political Forum in New York.** The VNR process was an important opportunity for Timor-Leste to take stock of progress made on the SDGs. As the country's SDP is the

country's primary vehicle for achieving the SDGs, the VNR set out the country's refreshed vision on sustainable development, building on the SDP. It also acted as a stocktake of the SDP to examine areas where progress was lagging and where efforts needed to be accelerated (see Section 4).

**The 2019 VNR aligned directly with the SDP and outlined the nation's current vision for sustainable development.** Subsequently, the VNR focused only on the SDGs aligned with Phase 1 of the nation's development, with SDG 16 as the overarching theme and SDG 17 on partnerships for the goals as a cross-cutting theme. As a bridge to Phase 2 of the SDP, the VNR also assessed progress on SDG 8, on decent work and economic growth. In order to speed up progress on the SDP, the 2019 VNR identified key accelerators to achieve the SDGs: 1) Building human capital, 2) Sustainable growth, 3) Leaving no one behind and 4) Strengthening data collection and analysis.<sup>128</sup>

**In order to achieve the SDP, the Government has three objectives for 2020–2023:<sup>129</sup> maintain an annual economic growth rate above 7%, reduce the poverty rate by 10% and reduce the unemployment rate by creating 60,000 new jobs.** There are five main pillars under which the Government of Timor-Leste aims to channel and prioritize its plans and investments:

- Social Welfare, Social Protection and Citizenship;
- Invest in the Economy and Public Finances of the Country;
- Improve National Connectivity;
- Consolidation and Strengthening of Defence, Security and External Relations;
- Consolidation and Strengthening of Justice, Democracy and Human Rights.



# 4. COUNTRY PROGRESS TOWARDS THE 2030 AGENDA AND THE SDGs

## 4.1. Overall progress

**Timor-Leste is making good progress on several SDGs, especially considering the challenges it faced at the restoration of independence.** Over the past 20 years, the country has made substantial progress in the areas of education and health and well-being, with main gains made in school attendance, child and maternal health, and electricity access.<sup>130</sup> Despite this, much work lies ahead to achieve the SDGs. At the current rate of progress, Timor-Leste is “off track” to achieve the SDGs and is unlikely to fully achieve any of the goals by the end of 2030.<sup>131</sup>

**The 2016 mid-term review of the SDP found that the strategy was not costed, there was no mechanism for monitoring SDP achievement and many SDP targets were not linked to operational targets or medium-term plans of ministries and state secretaries.**<sup>132</sup> The review of Phase 1 of the SDP found that, at the end of 2016, implementation was slow. Out of the 127 goals, only about 27% were fully achieved and 16% were nearing completion by the end of 2016.<sup>133</sup> The interim assessment of Phase 2 SDP targets showed that, at the end of 2016, only 8% had been fully implemented, and 9% were nearing completion or had high progress. Although these figures would have changed considerably in three years, this highlights that there are significant bottlenecks facing implementation of the SDP and monitoring of the Government's progress. The review of the SDP found that the SDP targets were set at very different levels: some were more concrete and operational, whereas others were very broad with a long-term perspective, and not quantifiable. This has posed significant challenges in evaluating the level of achievement of many government targets.

**The Government of Timor-Leste is working towards establishing an integrated system for planning, budgeting, and monitoring and evaluation (M&E) to address concerns about monitoring implementation of the SDP.** The primary means to address this is through developing the Budgetary Governance Roadmap and strengthening medium-term planning and expenditure frameworks. The Budgetary Governance Roadmap aims to support implementation of the SDP, and therefore the SDGs, through linking the targets of the development plan to budget structures and budget funds for the annual budget cycle. The intention is to ensure the implementation of government programmes is better aligned with national targets, and thereby the SDGs. However, despite these initiatives, the Government faces real practical challenges when trying to monitor the results of the SDP, incorporate new priorities and evaluate progress on Agenda 2030. The VNR states that

“the reforms when completed will support the process of nationalizing the SDG indicators and enable the monitoring and evaluation of SDG results from 2020 onwards”.<sup>134</sup> The VNR produced a statistical annex as part of its main report, which plays an important role in improving transparency on progress against the SDGs.

## 4.2. Institutional mechanisms and nationalization and localization of the SDGs

Despite the establishment of the SDG Working Group and production of the SDG Roadmap and the 2019 VNR, there is still no institutional home for the SDGs with a senior member of government leading on Agenda 2030. The Planning, Monitoring and Evaluation Unit (UPMA), in the Prime Minister’s Office, led production of the SDG Roadmap and the VNR, and is the unit responsible for monitoring the SDP, anticipated to oversee its alignment with the SDG indicators. However, its official role in ensuring implementation of the SDGs and making recommendations to improve delivery is not yet clear.

The SDG Working Group (with dedicated senior representatives from ministries, civil society, the private sector and youth, women and disabled groups) played a vital role in the 2019 VNR process. However, it does not have an officially recognized role in overseeing progress on the SDGs beyond the 2019 VNR process. The SDG Working Group has not met since the VNR process and the opportunity to build momentum from the VNR may have been lost. The absence of a designated ministry or unit responsible for the SDGs is a key bottleneck in monitoring the SDGs and ensuring policy coherence, inter-sectoral coordination and adequate financing of the SDGs (outlined above). It also prevents wider consultation with a diverse group of stakeholders to ensure that different perspectives on implementation of the SDGs are being heard (see section on SDG 17: Partnerships for the goals). While Timor-Leste has been vocal in its support of the 2030 Agenda, and the 2019 VNR process demonstrated the government commitment to the SDGs, the key challenge facing the country lies in ensuring that implementation of the SDGs is reviewed in a regular, coordinated and transparent way. The involvement of multiple stakeholders is needed to ensure linkages exist between SDGs and sectors and oversight is assured of the programmes, budgets and indicators of different ministerial programmes as they align with the SDGs.



## SDG 1: No poverty

**No poverty:** End poverty in all its forms everywhere

**Summary:** Timor-Leste has made significant progress in reducing the poverty rate; however, this progress has been geographically uneven, and the rate is still not fast enough to eliminate poverty by 2030. As almost 50% of households in rural areas are still living below US\$1.90 a day and half of all children under 15 years live below the national poverty line, reducing extreme poverty faced by rural communities remains a pressing challenge. While Government has invested in social transfers, the level and coverage of these are insufficient to effectively reach the most vulnerable segments of society.

### Problem description

**According to all indicators and measures of poverty, Timor-Leste has achieved a significant decline in poverty rates over the past decade.** The proportion of the population living below the national poverty line has dropped and in 2014 there were fewer people in poverty than in 2007, even accounting for population growth. Half of all children under 15 years live below the national poverty line. While just around a quarter of urban households live below the national poverty line, nearly every other household in rural areas can be classified as poor, and the rate of poverty reduction is much slower in rural than in urban areas (Table 1). This is highly significant, as more than 70% of households are situated in rural areas (see section on SDG 3). Using the international poverty line of US\$1.90/day,<sup>135</sup> the percentage of people living in extreme poverty fell from 47.2% in 2007 to 30.3% in 2014. This means that, on average, between 2007 and 2014, the rate of poverty declined by 2.4 percentage points per year.

**Table 1: Poverty indicators**

	2007	2014
Timor-Leste	50.4	41.8
Urban	38.3	28.3
Rural	54.7	47.1

Source: GDS and MoF (2014)

Timor-Leste has the highest multidimensional poverty rate among Southeast Asian countries,<sup>136</sup> with 45.8% of the population being multidimensionally poor (56.2% in rural areas compared with 18.2% in urban areas).<sup>137</sup> These figures show that, among other Southeast Asian countries, Timor-Leste is an outlier, with the highest multidimensional poverty rate.<sup>138</sup> The World Bank, using small area estimation gender-sensitive poverty maps<sup>139</sup> to statistically model and predict poverty at *suco* level, highlights that “poverty headcount rates are much higher in western areas of Timor-Leste than in eastern areas”. It also found far more variation in poverty rates within districts than between districts. For example, while the Dili district-level poverty rate is only 29%, the *suco*-level poverty rate ranges from 8% to 80%.<sup>140</sup>

## Causal analysis

**Poverty and inequality in Timor-Leste are not caused just by lack of income but also by issues such as access to food, water, sanitation, social protection, education, skills, health and decent work. Social transfers in Timor-Leste are not adequate or sufficiently distributed to improve the welfare of vulnerable households and bring the most vulnerable families out of poverty.** While lifting households out of poverty involves more than cash transfers, the inefficiency of the social assistance system plays a central role in diminishing efforts to tackle entrenched poverty. Timor-Leste spends between 12% and 15% of GDP on social programmes and veteran payments<sup>141</sup> – one of the highest budget outlay ratios in the world, even when accounting for population size, poverty headcount and mineral resources. In 2011, 60% of the total social assistance budget went to veteran payments, with veterans making up 1% of the population. Recipients of veteran payments are also predominantly male.<sup>142</sup> World Bank analysis of the 2014 Living Standards Survey shows the differences between the different cash transfer programmes (see Table 2). Furthermore, according to the UN/International Labour Organization (ILO) and Ministry of Social Solidarity, “the difference between benefit values [of various existing government cash transfer programmes] is huge – the higher veterans' pension pays 115 times more than the Bolsa de Mãe benefit”.<sup>143</sup> Social protection cash transfers are not well targeted or distributed in Timor-Leste, and many vulnerable groups lack coverage or adequate assistance.<sup>144</sup> The total Bolsa de Mãe budget for 2019 was US\$7 million, distributed across almost 61,000 households;<sup>145</sup> this is 10 times less than the veterans' pension, although it reaches double the number of individuals. With 26 different (non-contributory) programmes in place, Timor-Leste still lacks an overarching and coordinated framework for social protection.

**Table 2: Timor-Leste's main cash transfer programmes**

Programme	Payment/month	Recipients	Share of total social protection budget
Bolsa de Mãe	US\$5–15	61,000 households <sup>146</sup>	7% US\$9 million (2018)
Elderly pension	US\$30	A quarter of population lives in households where a member receives elderly pension	Elderly and disability pension: 27% US\$37 million (2018)
Disability pension	US\$30	40,000 people live in households where a member receives disability pension	
Veteran pension	US\$275–575	30,000 veterans	66% US\$91 million (2018)

Source: World Bank (2018b: 23) and (2019a)



**The Bolsa de Mãe programme is considered to have the potential for appreciable impact;<sup>147</sup> however, the size of the benefit is seen as too small to affect households' welfare status.** As seen above, the total Bolsa de Mãe budget for 2019 was 10 times less than the veterans' pension, although it reaches double the number of individuals. In 2019, a single mother received between US\$5 and US\$15 per month.<sup>148</sup> While the reach of the programme compares well against other countries in the region, to truly have an impact on poverty reduction, it is estimated that the payment would need to be raised from US\$12 to US\$23 on average per family and the coverage would need to increase to 95,000 households.<sup>149</sup> In addition, associating the cash transfer with a nutrition component could greatly increase its impact.

### **Risk analysis**

**There is a significant risk that, unless entrenched poverty is tackled and the rate of poverty reduction in rural areas is accelerated, progress made on other SDGs, such as education, gender equality, nutrition and health, will start to lag.** With petroleum receipts falling, the level of funding to social assistance is no longer fiscally sustainable, and vulnerable groups are still not able to access adequate help. It is possible that concerns about the fiscal sustainability of social assistance will force a contraction in funding for these programmes and social services. So, instead of expanding social assistance programmes such as Bolsa de Mãe and disability benefits, that have significant scope to improve household welfare, there is a moderate risk they will be reduced. Furthermore, vulnerable groups such as young women and people with disabilities will be pushed into poverty and many households that have managed to improve their standard of living in the past 10 years may find themselves back in poverty and in unemployment. Marginalized communities and disenfranchised veterans who no longer benefit from the oil windfall could pose a serious challenge to the stability of the country's institutions and the social fabric.

**Without sufficient disaggregation and analysis of data, key government programmes will be designed based on an inaccurate picture of multidimensional poverty, deprivation and vulnerability.** In order to avoid this, there is a need for greater analysis of and data on those living in poverty and those at risk of falling into poverty. Although it is known that communities in remote rural areas, people and children with disabilities, and women are among the most vulnerable, there is currently limited disaggregated data and evidence publicly available on health, education and employment for those with disabilities in Timor-Leste.

**Timor-Leste is one of the top 15 disaster-prone countries in the Asia-Pacific region. Natural and human-induced hazards tend to exacerbate pre-existing inequalities, particularly for those who are most vulnerable – namely, women, children and persons with disabilities.** Although absolute losses tend to be higher among wealthier groups, the relative impact of disasters on low-income households is far greater, given limited opportunities to manage risk and strengthen resilience. While vulnerability is not only about poverty, generally it is the poorest and most marginalized groups that suffer the most from the impact of disasters.<sup>150</sup> The poorest people are also more likely to live in hazard-prone

areas and less able to invest in risk-reducing measures. This is worsened by poor access to insurance and lack of, or insufficient, social protection. Hence, poverty is both a cause and a consequence of disaster risk, with drought being the hazard most closely associated with poverty.<sup>151</sup> The impact of disasters on poor and marginalized populations can, in addition to loss of life and impacts on livelihoods, lead to displacement and migration, as well as contributing to poor health and increasing food insecurity.

## SDG 2: Zero hunger

**Zero hunger:** *End hunger, achieve food security and improved nutrition and promote sustainable agriculture*

**Summary:** *Among the most prevalent issues in Timor-Leste are the issues of food insecurity and malnutrition. Despite some progress being made in tackling malnutrition since 2010, the rate is still one of the highest in the world.<sup>152</sup> The current rate of progress, with high rates of food insecurity and alarming rates of stunting and wasting among children under five years of age, combined with high rates of anaemia and under-nutrition among women of reproductive age, means that Timor-Leste is highly unlikely to achieve SDG 2 by 2030.*

### Problem description

**Food insecurity remains one of the most pressing issues Timor-Leste is facing, affecting not only nutrition but also economic growth and social cohesion.** The First Integrated Food Security Phase Classification (IPC) shows that only a quarter of the population can be considered food secure: 36% of the Timorese population suffers chronic food insecurity, including 21% who experience moderate chronic food insecurity and 15% that experience severe food insecurity. Crucially, three municipalities fall under severe chronic food insecurity: Ermera, Manufahi and Oé-Cusse.<sup>153</sup> On average, households in Timor-Leste spend almost 70% of their income on food – with poorer families spending even a larger portion. In the absence of significant structural changes, the situation as outlined in the IPC Analysis is expected to remain the same for the coming three to five years but could worsen in the event of disasters.

Timor-Leste ranks 110 out of 117 countries on the Global Hunger Index 2019, scoring 34.5 based on rates of undernourishment, wasting, stunting and child mortality. This has put Timor-Leste in the “serious” classification, bordering on “alarming”. Only Haiti, Liberia, Zambia, Madagascar, Chad, Yemen and the Central African Republic rank lower.<sup>154</sup> In Timor-Leste, only one in 10 children (13%) aged 6–23 months are receiving the minimum acceptable diet. Regional differences are striking in this context: in Manatuto, a quarter (25.5%) of all children aged 6–23 months are fed a minimum acceptable diet but this proportion drops to 5.6% in Ermera and 3.2% in Lautem. Anaemia among women and children has also risen over the past decade, from 38% in 2009/10 to 40% in 2016.<sup>155</sup> Nearly a quarter of all women were suffering from the condition in 2016; for women, it is a health risk, especially during pregnancy.



**An alarming percentage of children under five are experiencing growth retardation as a result of chronic under-nutrition.** It is clear from all data sources (DHS 2009/10 and 2016, Food and Nutrition Survey (FNS) 2013) that there are high levels of stunting and wasting among children under five. According to the DHS 2009/10, more than half (58%) of all children under five were stunted.<sup>156</sup> Although there were some quality issues with the anthropometric data from the DHS 2016, and despite the decrease in the percentage of stunted children under five years of age, the rate is still among the highest in the region, at 46%, and there are still very significant disparities between municipalities.<sup>157</sup> The 2013 FNS showed that every other child (50%) under the age of five was stunted,<sup>158</sup> highlighting similar figures to those in the 2009/10 DHS. The long-term impact of stunting on children's brain development and cognitive abilities is clear. People who are malnourished as children do not reach their intellectual and physical potential,<sup>159</sup> have lower educational attainment<sup>160</sup> and earn less as adults.<sup>161</sup>

According to the DHS 2016, wide disparity in levels of stunting between municipalities exists. In 2016, 59% of children in Ainaro suffer from chronic malnutrition or stunting, while in Manufahi the level is much lower, at 38%. Dili has a relatively high rate at 43%. The issue of stunting is complex, and not driven solely by poverty. In 2016, 36% of children in households from the highest income quintile were stunted, which is very high.<sup>162</sup> According to the 2013 FNS, wasting, the presence of acute malnutrition,<sup>163</sup> is also high, with 11% prevalence among children under five;<sup>164</sup> rates are higher in urban areas, at 14.3%, compared with 9.8% in rural areas. According to the World Health Organization (WHO), a prevalence rate between 10% and 14% is considered serious, and above or equal 15% is considered critical. In its severe form, acute malnutrition is a life-threatening condition that necessitates intensive care. Micronutrient deficiency is also an important issue in Timor-Leste. For instance, anaemia in children stood at 40% in 2016. Anaemia can impair cognitive development and increase morbidity from infectious diseases.<sup>165</sup>

**In addition, the prevalence of malnutrition among adolescents is also concerning as a driver of inter-generational malnutrition.** Malnutrition among adolescents (15–19 years)<sup>166</sup> is very high, at 27% for women and 26% for men in this age group.<sup>167</sup> Critically, malnutrition among girls contributes to increased risk of complications during delivery and of delivering low birthweight babies, which continues the cycle of malnutrition among families. Approximately 25% of adult height and up to 50% of adult ideal weight is attained during this period, and inadequate diet during adolescence can compromise growth.<sup>168</sup>

**Rates of breastfeeding, vital for infant nutrition, have seen good progress, but more recently a downward trend in breastfeeding rates has been observed.** While the 2009/10 DHS showed that 93.4% of infants were breastfed in the first hour after birth,<sup>169</sup> this proportion dropped to 75% in 2016. Successive DHS reports have shown that exclusive breastfeeding has not improved, with only 35% of women still exclusively breastfeeding at four to five months and even fewer by the WHO/United Nations Children's Fund (UNICEF) recommended six months in 2016.<sup>170</sup>

## Causal analysis

**High levels of food insecurity and poverty, combined with other factors such as inadequate food intake, poor basic infrastructure for water and sanitation and limited access to health care, inevitably contribute to a high prevalence of malnutrition.** Children born to mothers with no or only primary-level education are more likely to be stunted or wasted than those born to mothers with more education.<sup>171</sup> While women (and young women) play a critical role in nutrition and food security, gender inequality is an important underlying cause of malnutrition in Timor-Leste.<sup>172</sup> Gender norms shape the production, preparation, quality and amount of food consumed by each family member. Quite often, cultural norms prioritize men in food allocation.<sup>173</sup> While a dietary-based food guideline has been developed, there is currently no legislation in place to ensure the safety of food in the country, limited capacity to carry out food inspections nationally and no laboratory testing for food safety in the event of a food-related outbreak. Children in households with treated drinking water are 10% less likely to be stunted, and 4% less likely where there is a flush toilet.<sup>174</sup>

The persistently high prevalence of diarrhoea indicates the disease burden driving malnutrition in Timor-Leste. Children under five years who had experienced diarrhoea, fever or fever with cough in the previous two weeks were significantly more likely to be stunted than those who had not.<sup>175</sup> Inadequate basic water, sanitation and hygiene is an important determinant of childhood diarrhoea. Policy and programmatic inputs to promote, protect and support exclusive breastfeeding for the first six months of life and optimal infant and young child feeding practices are inadequate. Basic treatment for childhood diarrhoea (and adherence), as well as secondary care for mothers and children with severe acute malnutrition, is largely inadequate.

**Food insecurity, malnutrition and the absence of sustainable agriculture in Timor-Leste are deeply connected.** The Food and Agricultural Organization (FAO) interprets the low availability of dietary energy and protein in Timor-Leste as being a result of insufficient domestic production, with inadequate imports to make up for the gap between supply and demand. Poor access to and distribution of energy- and micro-nutrient rich foods exacerbate the situation. Smallholder farming families in particular suffer from food insecurity because they have produced insufficient cereal staples of maize and/or rice to last a full 12 months. There is seasonal food insecurity, with 90% of rural households exhausting their home-grown maize and rice supplies by September of each year. Timor-Leste is therefore a food-deficit country, importing above 40% of its annual staple food needs.<sup>176</sup> Post-harvest losses also play an important role in food insecurity, particularly for smallholder farmers. Inadequate storage practices lead to high post-harvest loss and low yields owing to poor-quality seed-saving and storage of grain. Maize post-harvest losses reduce food availability at the household level, where 80% of produce is retained for consumption. It also reduces the volumes that can be sold, which leads to reduced income for farmers often on the brink of food insecurity.<sup>177</sup> Post-harvest losses of most agricultural produce range from 20% to 50%.<sup>178</sup>



**Children aged 6–23 months in wealthier households are more likely to receive a minimum acceptable diet than children in the poorest households.** The Fill the Nutrient Gap analysis, led by the Government in 2019, assessed the extent to which nutritious diets are accessible across Timor-Leste. Diet modelling<sup>179</sup> estimated that a diet meeting just energy requirements for a household of five people would cost between US\$32 and US\$64 per month.<sup>180</sup> However, meeting protein and micronutrient needs would cost four times as much; nutritious diets modelled to meet the needs of energy, protein and 13 micronutrients would cost US\$158 to US\$241 for per month, much higher than the minimum wage of US\$115 per month. The cost of meeting nutrient needs for lactating women and adolescent girls made up almost 80% of the entire diet cost for the five-person household.<sup>181</sup> This is because there are particularly high micronutrient requirements for these groups during periods of growth and development. Almost all Timorese households would be able to afford to meet their energy needs but nutritious diets that meet the requirements of energy, protein and 13 micronutrients would only be affordable for one in four households. The Fill the Nutrient Gap analysis modelled the individual and combined impact of a range of interventions across health, education, social protection and agricultural sectors on the cost and affordability of nutritious diets. It showed that the greatest impact on nutritious diet access resulted from ensuring that a combination of nutrition-sensitive interventions was implemented from each of these different sectors, highlighting that the responsibility for improving nutrition does not lie with any one sector (e.g. health) alone: all sectors need to act together, in a coordinated and complementary way.

**Despite a recent increase in crop yields, unpredictable weather patterns, widespread and increasing social infertility, and low access to technology are still constraining agricultural productivity.** Agriculture is a key economic sector in Timor-Leste, providing 70% of employment and contributing 17% of GDP.<sup>182</sup> A total of 70% of the Timorese population lives in rural areas, and a majority of them are dependent on agriculture for their livelihoods. Rainfed and irrigated crop production, livestock rearing and artisanal fisheries are practised by 80% of Timorese households, of which 97% are subsistence producers/family farmers with very little land. Moreover, no more than 8% of farmers are practising one or more improved technologies (e.g. conservation agriculture/mulching, irrigation, etc.) and only 5% are using improved seeds and organic fertilizers.<sup>183</sup> Agricultural productivity (including livestock) in Timor-Leste therefore remains substantially low compared with in neighbouring countries with similar agro-economies, and the lowest in the Southeast Asia region.<sup>184</sup> Production is also gendered: women produce on average 15% less per ha than men, and they have less access to finance, education, knowledge and decision-making power.<sup>185</sup> A more explicit recognition of the significant gender disparities that affect farmers is required. Literacy rates for female farmers are on average 20%, well below the national average of 63%, and half the rate for male farmers (40%).<sup>186</sup>

### Risks

**The agriculture sector is particularly fragile and vulnerable to climate change impacts such as droughts or continuous floods.** Agriculture remains the fundamental instrument to build people's and livelihood's resilience to climate change impacts, natural and human-

induced hazards and environmental degradation. However, the sector is weak and underfunded (see below).<sup>187</sup> The 2013 National Risk Assessment and Mapping<sup>188</sup> highlighted exposure, vulnerability and risk to floods, cyclones, droughts, forest fires and earthquakes. A potential increase in the frequency and/or severity of agricultural or hydrological droughts could have a significant impact over the long term on the economy, poverty levels and nutrition, particularly in a country with already high levels of food insecurity and where more than 70% of the population relies on climate-sensitive, rainfed agriculture as a main source of livelihood.<sup>189</sup> Outbreaks of plant pests and animal diseases (e.g. African Swine Fever) could also pose a significant risk to livelihoods in Timor-Leste and progress on SDG 2. More than 70% of households keep pigs, which help protect families against shocks and pressures. The detection of African Swine Fever in Timor-Leste in September 2019 is likely to lead to significant, negative, livelihood, food and nutrition security impacts in Timor-Leste, highlighting the significant effect of disease outbreaks.<sup>190</sup> Fishing is an important source of livelihood for two thirds of the total population that lives on the coastlines of Timor-Leste. Coastline communities are particularly vulnerable to flood, drought and strong winds. Flooding occurs as riverine “flash-flooding” when heavy seasonal rains in catchment basins converge in tributaries as they descend, resulting in a rapid rise of discharge in the water courses. Sediment pollution from floods is significant in Timor-Leste and affects the coral reef and consequently the fisheries sector.

**The downward trend in public expenditure in agriculture threatens the small gains made in nutrition, and risks delaying implementation of newly designed cross-sectoral interventions.** Although the policy framework for malnutrition and agriculture has resulted in a large amount of complex multi-sectoral interventions, funding for implementation is lacking. The budgets for MAF and MoH have been declining since 2010. It is estimated that the total cost of implementation of the National Nutrition Strategy is US\$39 billion (2015–2019), of which 53% (US\$20.4 billion) is unfunded.<sup>191</sup> MAF has been allocated less than 2% of the total budget for nearly a decade while the MoH budget is very volatile, ranging from 4.5% in 2014 to just over 2%<sup>192</sup> in 2016.<sup>193</sup> Although Timor-Leste's agriculture sector has the potential to make a considerable impact in terms of targeting food security, nutrition and sustainable interventions to increase agricultural productivity, without an improved budget allocation, accountability and policy implementation progress on SDG 2 is likely to be slow, and the aim of ending malnutrition is unlikely to be achieved by 2030. This will also have a significant impact on SDGs 1, 8 and 10, given the centrality of agriculture to people's livelihoods (see Section 10 on gaps and challenges for an analysis of the agricultural workforce and institutional capacity).

**Youth are increasing leaving agriculture, raising concerns about the sustainability of the sector, which is vital to sustainable economic growth.** With increasing rural–urban migration, only 10% of farmers are under the age of 30,<sup>194</sup> and 21% of young women between the ages of 15 and 24 are farmers.<sup>195</sup> The low levels of productivity currently in the agriculture sector (where most Timorese are employed) and its declining contribution to the economy (27.2% of GDP in 2017<sup>196</sup>), combined with large numbers of young farmers leaving the sector, highlight the risk to achieving SDG 2, but also SDGs 1 and 8.



## SDG 3: Good health and well-being

**Good health and well-being:** Ensure healthy lives and promote well-being for all at all ages

**Summary:** *Timor-Leste has made considerable progress in strengthening its health services delivery system and improving its population health outcomes. Despite this, maternal and child health status are among the poorest in the region and disparities exist between municipalities, particularly in remote rural areas. If it does not significantly step up efforts and accelerate progress to strengthen the health system, and address the determinants of health and health inequalities, Timor-Leste is unlikely to sustain the significant progress made and achieve SDG 3 by 2030.*

### Problem description

**Timor-Leste has made important gains in the overall health of the nation, with life expectancy at birth improving for the population by about 10 years since the restoration of independence (from 58.7 years in 2000 to 68.6 years in 2016).**<sup>197</sup> Since restoration of independence, healthy life expectancy, a good summary measure of overall health of the population, improved by seven years (from 52.2 to 59.2 years).<sup>198</sup> Looking at trends in the mortality rate from causes amenable by adequate health care, there is evidence to suggest that access and quality of health care have improved in Timor-Leste since restoration of independence. The Health Access and Quality Index has recorded improvements by 2.9 percentage points per year on average; however, Timor-Leste is still well below the global average of 54.4 and currently ranks 139th out of 195 countries and 8th of the 11 WHO Southeast Asian countries on this index.<sup>199</sup>

**Significant improvements in maternal mortality have been achieved but Timor-Leste still has the third highest rate in Asia.** Determining accurate figures has not been straightforward, and updated figures are pending from General Directorate of Statistics (GDS) and MoH. Maternal mortality is estimated at 215 women per every 100,000 live births but this has fallen significantly from around 650 during the period 2005–2015.<sup>200</sup> The estimated maternal mortality for 2015 was 426 maternal deaths per 100,000 births.<sup>201</sup> The most recent official data for maternal mortality need to be confirmed with GDS and MoH. Half (51%) of births still take place at home and about 57% are with a skilled birth attendant, with significant geographical inequities: over 80% in Dili take place in the presence of a skilled birth attendant, compared with just 20% in Ermera.<sup>202</sup>

**Progress has been made in reducing the mortality rate for children under five but neonatal mortality has stagnated.** In 2016, the under-five mortality rate was 46 per 1,000 live births (from 174 in 1990), and the infant mortality rate was 39 per 1,000 live births (from 131 in 1990). Progress on neonatal mortality, on the other hand, has stalled, at 19 infants per 1,000 live births in 2016 compared with 22 in 2009/10.<sup>203</sup> Globally, pneumonia and diarrhoea are among the leading causes of child mortality, accounting for 29% of all deaths of children under five years of age.<sup>204</sup> This highlights the need for increased cross-sectoral efforts on health, water, sanitation and nutrition to address these preventable major causes of child deaths. Under fives from the poorest households are twice as likely

to die before age five than children from the richest households; higher rates of mortality are observed in households with low maternal education level and unmarried status.<sup>205</sup>

**Timor-Leste's TFR decreased from 6.8 in the three-year period of 2005–2007 to 4.5 in 2015 and 4.2 in 2016 but is still 1.1 births higher than the global average and twice the Asia-Pacific average of 2.1.**<sup>206</sup> Currently, 26% of women (15–49 years) in Timor-Leste use modern contraceptive methods and the unmet need is double the world average, with less than 1% improvement in contraceptive coverage rates in the DHS between 2009/10 and 2016. Teenage pregnancy is decreasing overall but is still high (51 live births for every 1,000 adolescent girls). Of concern is that nearly three out of four (74.7%) unmarried sexually active adolescent girls have an unmet need for contraception.<sup>207</sup>

**Progress has been made to control and eliminate communicable diseases but tuberculosis (TB) remains a major public health concern.** The absolute number of new TB patients is increasing as a result of the increased population (from around 4,600 in 2002 to 6,500 in 2017).<sup>208</sup> Case-finding, diagnosis and treatment is inadequate, and rates of TB mortality (both with and without HIV co-infection) are increasing. Insufficient public awareness, surveillance and treatment for HIV/AIDS, sexually transmitted infections (STIs) and hepatitis are all issues that limit the health system's response to effectively manage transmission and infections. Efforts to control the transmission of leprosy and measles (on track for 2021), rubella (declared in 2018) and malaria (on track for 2021); to eradicate lymphatic filariasis and yaws (on track for 2023); and to control soil transmitted helminths (worms infection) are improving. Investing in active surveillance and increasing routine vaccination coverage will be vital in sustaining these achievements.

### Elements of causal analysis

**Coverage of essential services has increased significantly since the restoration of independence but remains well below the regional and global averages.** According to the Universal Health Coverage Service Coverage Index,<sup>209</sup> coverage of essential services has increased from 24 in 2000 to 52 in 2017. Significant progress has been made in strengthening the health system for universal health coverage. Timor-Leste has achieved a health worker density of 25 for every 10,000 population. The density of doctors is 0.69 per 1,000 population, which is high compared with other countries in the region, and the density of nurses and midwives is approaching the regional average of 1.43 per 1,000 population.<sup>210</sup> However, there are now concerns around equitable geographical distribution, skill mix, quality, regulation, productivity and even future oversupply and absorption of the country's health workforce. Similarly, the medicines supply system continues to be challenged by stockouts and a concerning lack of regulation to ensure safe, quality medicine and supplies.

**The barriers to health service utilization in Timor-Leste are well documented: poverty, low levels of education, distance to facilities, poor quality of care and cultural and social barriers are the most prominent obstacles – especially for the most vulnerable.**<sup>211</sup> Although public health care services are free at the point of use, wealthier patients have been



found to attend hospitals at nearly twice the rate of poorer patients.<sup>212</sup> An estimated 1% of people, approximately 12,000, are being pushed into poverty (less than US\$1.90/person/day) because of out-of-pocket health spending, and around 2.9% of the population has experienced catastrophic spending (>10% of their entire household budget on health care).<sup>213</sup> Women in the wealthiest quintiles are five times more likely to have an institutional delivery than women in the poorest quintiles.<sup>214</sup> This may be because wealthier populations live in Dili and have greater geographical access to services.<sup>215</sup> Indirect costs are a major impediment (paying for transport, blood supplies from private suppliers, accommodation, food for the patient and family members and repatriation of the deceased).

**Overall quality of services is known to limit utilization and effectiveness of health care; a recent assessment uncovered significant quality concerns in the workforce (skills and capacities), facilities (hygiene and availability of basic equipment) and quality of care (based on clinical best practice).**<sup>216</sup> About 70% of people living in rural and remote mountainous areas and a quarter of households are more than two hours' walk from the nearest primary health facility.<sup>217</sup> With increased urbanization in Dili (internal migrants represent 37.3% of Dili's total population), migrants need special attention, as they are significantly more vulnerable, have low levels of education and are often located in areas that are hard to reach. Most (51.6%) internal migrants are female and need special consideration.<sup>218</sup>

### Risk analysis

**Timor-Leste's fragile health system means it has limited capacity to cope with the health impact of emergencies and disasters should they occur, which could reverse important progress made on SDG 3.** Timor-Leste is highly vulnerable to natural disasters and preparedness of the health system is low. In 2018, a Joint External Evaluation was undertaken to assess Timor-Leste's International Health Regulations (IHR) (2005) core capacities, which highlighted significant limitations across most core capacities.<sup>219</sup> A costed National Action Plan for Health Security 2020–2024<sup>220</sup> has been developed to respond to the Joint External Evaluation recommendations. Lack of coordination and of a dedicated budget for public health emergencies or IHR functions are among the major challenges to implementation. The fragility of the health system and the inability to reach the most vulnerable communities, even without the presence of a disaster, highlight the high probability that a disaster will place enormous pressures on health services. This would exacerbate existing inequalities and reverse good progress made on SDG 3. The evolving COVID-19 pandemic has already demonstrated several vulnerabilities in health system readiness and response capacities. Dengue is a growing concern each wet season and the risks of emerging and re-emerging infectious hazards such as pandemic influenza, Zika and infections owing to anti-microbial resistant strains are always existent and pose a moderate threat to the health system (see Section 6).

**While still burdened by communicable diseases, non-communicable diseases now account for an estimated 44% of all deaths.**<sup>221</sup> The 2017 Global Burden of Disease (GBD) study<sup>222</sup> uncovered an epidemiological shift towards non-communicable diseases but

highlighted that, based on current trends, the country will be facing a double burden by 2040. Non-communicable diseases will be the major cause of death, yet diarrhoea, pneumonia, HIV, TB and neonatal illnesses will still be in the top 10.<sup>223</sup> Almost 19.4% of adults have three or more risk factors, including smoking, inadequate diet, overweight and high blood pressure.<sup>224</sup> Almost half of all men smoke (49.6%) and regularly consume alcohol (42.8%) compared with women, among whom 7.8% smoke and 2% of consume alcohol regularly.<sup>225</sup> The annual amount of alcohol consumed per capita has tripled in recent years, from 0.7 litres per person (age 15+ years) in 2008 to 2.1 litres in 2016.<sup>226</sup> Timor-Leste also has among the highest rates of tobacco use in the world, with low taxation on tobacco.<sup>227</sup>

## SDG 4: Quality education

**Quality education:** *Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all*

**Summary:** *While there have been strong improvements in primary school attendance in Timor-Leste, attendance at pre-school, secondary and tertiary are still lagging as a result of high dropout, overage students and poor-quality learning environments. In order to make rapid progress on SDG 4, significant attention is needed to tackle deprivation in learning within the Timorese education system. The lack of data on learning outcomes, coupled with low-quality teaching and poor learning environments, is slowing further progress on SDG 4. Greater spending on the education sector is also required to cope with predicted population increases, improve the quality of teaching and strengthen pre-school education and assessments of learning outcomes.*

### Problem description

**The quality of education that children receive at all levels of schooling reveals a deprivation of learning within the education system.** Although no internationally comparable data on learning outcomes exist, the data that do exist highlight significant concerns. The 2017 Early Grade Reading Assessment (EGRA) revealed that 74.2% of students in their first year of school could not read a single word of the text provided. While this is an improvement from the EGRA in 2009, it still reveals key concerns about the quality of education children receive while at school. Crucially, despite this average increase in reading comprehension, there were still a high number of students scoring zero on comprehension, with only small improvements since 2009.<sup>228</sup> Analysis of the World Bank Human Capital Index reveals that, although Timorese children at age four can expect to complete 9.9 years of school by the time they turn 18, when considering what children actually learn, expected (learning-adjusted) years of school decline to 5.9 years.<sup>229</sup>

**Pre-school attendance remains very low in Timor-Leste, particularly in rural areas, resulting in many children being prevented from learning and thriving from a young age.**

In 2016, only 22% of children attended pre-school, 60% of whom were accommodated in state schools and 40% in private schools.<sup>230</sup> Data from the Ministry of Education, Youth



and Sport (MoEYS) Education Management Information System (EMIS) shows that five year olds have the lowest attendance rate, with 48.6% not in school (and 39.1% of all five and six year olds do not attend).<sup>231</sup> Brain development starts from birth and early childhood, and inputs at this stage have a lasting impact. This is where pre-school and early childhood education can play a crucial role. Progress on achieving SDG 4 will not be made unless investments are made in early childhood education, protection, health, nutrition and responsive caregiving practices, to give children the best possible chance to thrive.

**Primary school attendance has increased substantially, from 65% in 2001 to 92% in 2015; however, not enough children reach secondary school and very few acquire tertiary education.** For children 6–17 years old, attendance in 2015 was at a record high of 82.6%.<sup>232</sup> However, nearly half of students drop out prior to pre-secondary school (enrolment in primary is 92% compared with 44.2% in pre-secondary).<sup>233</sup> If students move on to pre-secondary school, they are likely to finish secondary education. Many students of mixed ages and abilities arrive at primary school without pre-school education. A shortage of sufficient classrooms leads to double and triple shifts at schools, reducing the day for students and limiting the quality of education students receive. The lack of contact hours, combined with high student-to-teacher ratios, leads to a Grade 1 repetition rate of 23.9% and high dropout rates in primary school overall (19% of 6–11 year olds are likely to drop out).<sup>234</sup> Higher education enrolment remains low (approximately 25% of this age group were enrolled between 2011 and 2016), though the student population at this level more than doubled between 2011 and 2016 (from 27,009 students to 57,436). This low attendance at higher levels of education has future consequences for the system, for example in the form of an inadequate supply of teachers with a sufficient level of education (see below).

**Students with disabilities, young mothers, children from the poorest families and those in rural areas are most likely to be out of school, highlighting significant inequalities in education access.** However, the dataset on school participation for children with disabilities is very limited. Estimates also show that 46% of children with disabilities aged 3–18 are not in school.<sup>235</sup> Falls in attendance rates in pre-secondary are much higher in rural areas. Subsequently, students in rural areas are also less likely than their urban counterparts to have basic literacy skills (94% of urban vs. 78.5% of rural youth 15–24 years old), with measurable differences between municipalities.<sup>236</sup> A recent study revealed that most teachers receive no training in inclusive education and are not able to identify children with special needs in their classrooms.<sup>237</sup> Adolescent mothers face additional barriers completing their education and there is a sharp decline in the attendance of young mothers from age 15 to age 19. At age 15, 61.5% of young mothers are in school, whereas at age 19 only 12.4% are still in school (this compares with 68% of non-mothers).<sup>238</sup>

### Causal analysis

**Overall progress on attendance hides key weaknesses that shape children's learning.** Although significant gaps exist in data availability on student learning outcomes,<sup>239</sup> high levels of repetition, overage students and dropout highlight the challenges faced in

schools. High repetition rates in the first years of schooling can signal that students are not ready to start the first grade, and are costly to the education system. Getting more students into pre-school at the appropriate age is essential to promote the best possible start for learning. International evidence suggests that being overage is one of the main reasons for dropout.<sup>240</sup> In Timor-Leste, many children do not attend primary school at the appropriate age and 44% of those aged 13–15 are still in primary school.<sup>241</sup> Meanwhile, the large numbers of students competing for limited classroom space directly affects education quality. Schools often run double or triple shifts in the same space, reducing students' contact hours to only two a day.<sup>242</sup> The EGRA 2017 shows that actual contact time is only 66% of the 4.5 hours necessary per day.<sup>243</sup> Now that there is a new curriculum for Cycles 1 and 2, strengthening national capacity and systems for measuring learning outcomes and participation in cross-national/internationally comparable learning assessments is crucial in tracking what children actually learn while at school in Timor-Leste.

**The high level of stunting among children under five in Timor-Leste affects brain development; this, coupled with lack of early stimulation and high levels of reported violence against children,<sup>244</sup> can negatively affect learning outcomes and cognitive development in the long term.** Poor nutrition during childhood can have a life-long impact: children's bodies and brains are unable to develop properly and they are more likely to get sick or die from diseases. Muted activity in the underdeveloped brain means children have trouble keeping up in school and, as a result, are more likely to drop out early compared with their healthy peers. Later in life, those who experienced poor nutrition as a child earn on average 20% less than their peers, a fact that again can be linked to brain development during childhood.<sup>245</sup> High levels of stunting are estimated to induce economic losses in Timor-Leste equivalent to 2% of GDP per year.<sup>246</sup>

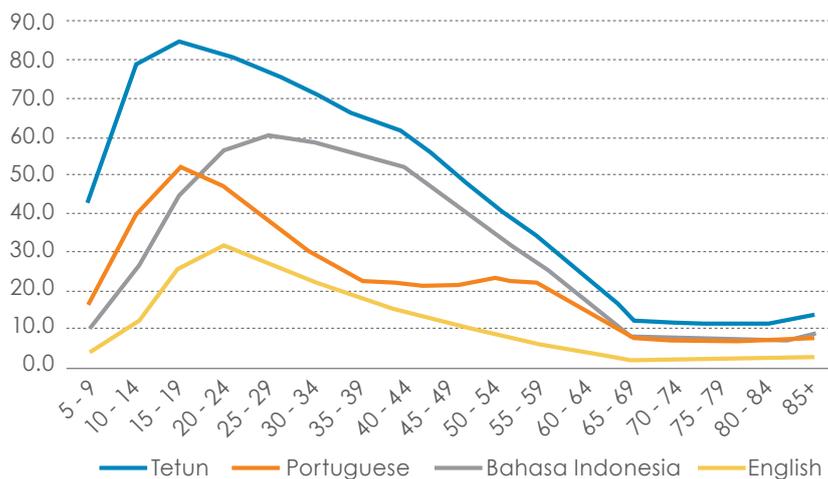
**While numbers of teachers have increase dramatically, quality of teaching is still poor, affecting education quality.** With limited or no formal educational training, many teachers struggle to use lesson plans. While there is no publicly administrative official data on the training of teachers, it is estimated that 20% of teachers have only secondary education and are not more qualified than their secondary students.<sup>247</sup> In addition to having low scientific and pedagogical competences, they lack the appropriate infrastructure and materials, such as "properly equipped laboratories, sports facilities, textbooks and supporting materials".<sup>248</sup> Furthermore, teachers are not well equipped to support young women with the life skills and comprehensive reproductive health education they need to thrive in life as empowered and informed young people. This would play an important role in reducing teenage pregnancy and is part of the education curriculum but is often not implemented owing to limited knowledge among teachers and administrators.

**Medium of instruction continues to be a barrier to learning for many children and increases the risk of early dropout.** Many teachers are weak in the country's official languages (see Figure 2). The Basic Education Act 2008 stipulated Tetum and Portuguese as the official languages of the education system. However, the revised National Base



Curriculum introduced in 2015 specifies that the medium of instruction in early basic education is Tetum, with a carefully planned introduction to literacy in Portuguese. In a country with 16 native mother tongues and 36 local dialects, and where 66% of children speak a language other than Tetum at home, the language competencies of teachers are very important.<sup>249</sup> There are also insufficient numbers of pre-school teachers who can teach the different mother tongue languages effectively and begin bridging the official languages of Tetum and Portuguese. Limited understanding of the official languages among children and teachers is a key barrier to learning for many children and increases the risk of early dropout.

**Figure 2: Share of the population literate in particular languages, by age (%)**



Source: GDS et al. (2017)

### Risks

**An increasing population is likely to put significant pressure on the education system, affecting both access to and quality of education.** One study predicts that, given a high fertility scenario, by 2030 there could be an additional 20,000 children (age 6–17) and 300,000 people of working age.<sup>250</sup> This would put huge strains on an already over-stressed education system. The teaching capacity of the technical/vocational education sector remains the lowest, with only 450 teachers nationwide in 2016, although this represents a 50% increase from 2015, from over 300 teachers.<sup>251</sup> Soft skills such as interpersonal skills and self-awareness, and other skills to ensure readiness to compete in the labour market and facilitate students' transition from education to work, are much needed. Quality education for all, including these soft skills, is critical not only for personal development and life chances but also to ensure inclusive economic growth of Timor-Leste as a whole. The Human Capital Index Report states that, "An increase in 3 years in students' learning is estimated to add nearly 1 percentage point to Timor-Leste's long-term economic growth".<sup>252</sup>

**Despite the economic value of education, public spending on education has not kept pace with growth in overall state spending and GDP growth over the past five years, which could put gains made in education at risk.** Public spending has been decreasing as a percentage of GDP (non-oil sector) each year (10.2%, 8.5% and 6.6% of GDP in 2014, 2015 and 2016, respectively). Timor-Leste allocates about 10% of public expenditure to education, which is not only below average for the region (15.1%) but also significantly below the 15–20% of the total government budget on expenditure in education that Timor-Leste committed to when signing the Education 2030: Incheon Declaration Framework for Action. The Government will need to mobilize approximately US\$56.1 million for education infrastructure development alone.<sup>253</sup>

**Timor-Leste is prone to natural hazards, which poses a notable threat to already the vulnerable school infrastructure and holds the potential for disruptions to education following a disaster.** A risk analysis of identified potential hazards conducted by stakeholders in preparation for the Education Cluster Contingency Plan<sup>254</sup> shows that the likelihood of floods, landslides, strong winds and drought occurring is very high, with severe to moderate impact. Very often, school buildings do not meet adequate construction standards and many schools are built in locations that are vulnerable to natural hazards. Approximately 50% of schools across the country do not have access to electricity, and access to improved water sources is also around 50% in schools, while 35% of primary schools lack basic sanitation facilities.<sup>255</sup>

## SDG 5: Gender equality

**Gender equality:** *Achieve gender equality and empower all women and girls*

**Summary:** *Gender equality in Timor-Leste is not moving at the pace or with the reach that the country needs to meet SDG 5 by 2030. Investments in gender equality are not prioritized in the state budget, individual bias and collective social norms perpetuate women's lower status compared with men and high levels of violence against women exist. Significant data gaps also limit the potential for evidence-based gender policy responses. Timor-Leste has achieved SDG indicator 5.5.1 (on women's representation in Parliament) and is on track to achieve indicator 5c1 on tracking of budgets on gender equality. For seven other SDG indicators, Timor-Leste is falling behind compared with global and regional trends. This not only affects achievement of gender equality but also hampers progress across the remaining 16 goals.*

### Problem description

**Timor-Leste has made considerable advancements in the enabling environment on gender equality and women's empowerment since 2002.** Numerous policy and legislative frameworks have been established as part of Timor-Leste's vision to uphold international and national gender equality commitments. Timor-Leste's Constitution and subsequent legislation embed the vision of the women's movement and gender equality advocates



prior to independence. Seven of the nine core international human rights treaties<sup>256</sup> have been adopted. Laws and policies on violence against women cover domestic violence (including marital rape), sexual violence and some forms of sexual harassment and trafficking in persons, among other forms of abuse.<sup>257</sup> Legislation on rights to land and property, the SDP 2011–2030 and the SDG Roadmap similarly recognize equality between men and women, but only select strategies and sectors<sup>258</sup> respond explicitly to the widespread and structural discrimination that prevents women from accessing these rights. The formal land laws provide equal access to land for women and men (target 5a), and explicitly prohibit reconciliation by negotiation between parties (resolution must instead be by administrative decision). However, customary law follows the matrilineal and patrilineal practices of inheritance, and even in matrilineal communities practices and gender norms limit women's actual access to land. Many women are unwilling to turn to the formal system to resolve land disputes, and 94% of people prefer to use traditional law, which prioritizes reconciliation.<sup>259</sup>

**An institutional framework for gender equality has also been established to enable implementation of laws and policies on gender equality, although many strategies are not monitored after they are signed.** Mechanisms exist at the highest level of Government, via an inter-ministerial Gender Working Group chaired by the secretary of state for equality and inclusion, at sector and municipal levels, and in village councils and oversight bodies. Timor-Leste is on the way to reaching SDG indicator 5c1, with a tracking system in place for monitoring allocation and expenditure on gender equality. Gender-responsive budgeting is included in the Programme Budgeting Roadmap and its Public Finance Management Reforms. The 2019 state budget also included a gender marker to tag government programmes according to their contribution to gender equality, but the marker is only one element in the overall planning and budget cycle and greater attention is now needed to monitoring expenditures and actual results stemming from allocations to gender equality.

**However, gender-inequitable social norms and restrictive gender roles persist.** Violence against women and girls remains one of the most widespread human rights abuses in Timor-Leste. In the dedicated Nabilan Survey of prevalence in 2015, 59% of Timorese women (15–49 years) reported having experienced physical and/or sexual violence by an intimate partner in their lifetime, and 47% in the previous 12 months – well above the recent global average of 18%. Prevalence of non-intimate partner violence for women aged 15–49 was recorded at 10% in 2015 in the Nabilan Survey on violence against women but is likely underreported, given low levels of help-seeking.<sup>260</sup> While few data exist on violence against the LGBTI community, in one survey 87% of respondents had faced harassment and violence owing to their sexual and gender orientation.<sup>261</sup> Girls and women's access to information and decision-making on reproductive health and contraception are severely limited (SDG target 5.6). Only 35.9% of married women aged 15–49 make their own informed decisions regarding sexual relations, contraceptive use and reproductive health care. A total of 14.9% of girls are married by the age of 18 (target 5.3), highlighting that child marriage remains a concern.<sup>262</sup> Data on time use for women in Timor-Leste are unavailable; this represents a significant data gap (target 5.4).

**Women's access to political participation and equality under the law has been advanced: Timor-Leste has reached parity in Parliament at 38%, one of the highest rates in Asia, and exceeding global averages of 23%.<sup>263</sup>** This was facilitated through a quota outlined in the Electoral Law for the National Parliament that requires that the lists of actual and alternate candidates include at least one woman for each set of three candidates. However, where these measures do not exist, women are severely underrepresented in decision-making positions. There are no women leading the 13 municipal authorities and only 4.6% of 456 village councils have elected women as suco chief.<sup>264</sup> Within the Government, women hold 20% of Cabinet posts and only 10.8% of employed women are in managerial roles, well below the global average of 27%.<sup>265</sup> Linked to women's role in professional employment is the issue of economic empowerment. Women are 14% less likely than men to own a mobile phone (SDG target 5b.1); only 66% of women own mobile phones, compared with 77% of men. This lower connectivity affects their access to information and opportunities and is reinforced by the gender gap in internet access (22% of women to 31% of men).<sup>266</sup>

### Elements of causal analysis

**The key demand-side drivers of deprivations and vulnerabilities women face relate to discriminatory laws, social norms and attitudes that promote inequality and women and girls' low levels of decision-making in sexual and reproductive health issues.** For example, norms around men's power and control over women are evident in the patterns of violence women face. 2016 DHS data show high tolerance for domestic violence and justification of husbands physically abusing their wives, with 74% of Timorese women and 53% of men agreeing that a husband is justified in wife-beating for specific reasons (such as burning food and to have sex).<sup>267</sup> This reflects the inter-generational influence of norms and the early socialization of gender norms for girls. In relation to child marriage, poverty is closely correlated with child marriage.<sup>268</sup> Completion of secondary education and wealth are also factors, delaying marriage by two to three years compared with those with lower levels of these.<sup>269</sup> Key supply-side barriers relate to the accessibility and bias often found in services. For example, low numbers of women in managerial positions are linked to social norms and public discourse that do not value women as leaders in the same way as they do men. The demand-side barriers are often related to lack of access to information and assets and social beliefs that prevent women and girls seeking assistance and making decisions for themselves. For example, only 20% of women who have experienced physical or sexual violence have sought help.<sup>270</sup> Women at the highest education and wealth levels are more likely to do so.

### Risk analysis

**Violence against women and girls and inter-generational cycles of violence restrict progress on Agenda 2030 and threaten progress made so far on gender equality and SDG 16.** Discrimination and gender inequality are at the root of violence against women and the widespread exposure of children in Timor-Leste to violence against their mothers requires dedicated attention, to break the inter-generational cycle of violence against women and girls.<sup>271</sup> While the Government has taken several measures to ensure social



cohesion, this has not necessarily translated into protection of marginalized or vulnerable groups such as women and children, and domestic violence is still widely accepted in society. Although the country is at peace, the acceptance of violence against women among both men and women, and tolerance among the population for the use of force by the police and the army and for violence in the home and in schools, is driving the inter-generational influence of social norms. This inter-generational cycle of violence is a moderate threat to the maintenance of peace and social cohesion. The perpetuation of gender inequality, manifested by such high levels of gender violence, is a significant current threat to progress on nearly all SDGs, especially SDGs 2, 4, and SDG 8, and is likely to play a significant role in preventing the country achieving Agenda 2030.

**Power imbalance and discrimination are root causes of violence against women and the main drivers of risks.** For example, men's controlling behaviours are widespread. Nearly half (47%) of women in the 2016 DHS reported that their husbands exhibited one of the five controlling behaviours. Contributing risk factors include poverty, where 38% of women in the lowest wealth quintile have experienced physical violence compared with 17% in the highest wealth quintile.<sup>272</sup> Alcohol exacerbates women's risk: all forms of violence against women become more common as the frequency of husbands' drinking or getting drunk increases, from 31% for husbands who do not drink to 76% for husbands who are often drunk.

## **SDG 6: Clean water and sanitation**

**Clean water and sanitation:** *Ensure availability and sustainable management of water and sanitation for all*

**Summary:** *Timor-Leste has made significant progress regarding water supply and sanitation over the past few years. However, it is still far from universal access to safely managed sanitation and water supply. The rural population is at risk of being left behind as a quarter of all rural households in the country are still practising open defecation, and nearly a third are using surface water or water from an unimproved source. Children are also at risk, with 50% of schools without functional toilets. In order to be in a position to assess progress on SDG 6, significant investment is required in water quality testing.*

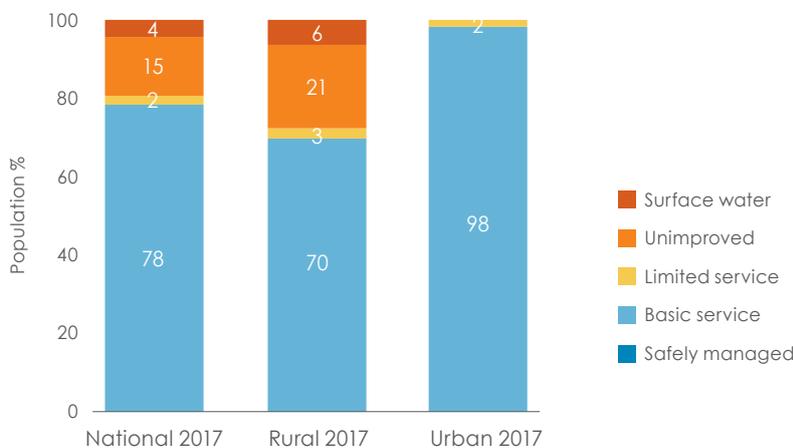
**Note on the data:** Assessing improvements in SDG targets relating to access to safely managed drinking water that is free from contamination, located on premises and available when needed has proved to be challenging. Given a lack of reliable data regarding water quality and availability and weak capacity to conduct representative water testing in Timor-Leste, it is difficult to assess coverage of safely managed water sources. According to the new SDG indicators, which differ from the Millennium Development Goal (MDG) indicators of "improved," in order to classify a water source as safely managed it needs to be located on premises, available when needed and free from faecal and priority chemical contamination. Hence, in order to be able to declare a water source uncontaminated, water quality needs to be tested using at least on-site test kits –

and, better yet, a laboratory that is preferably working to international standards. In order to assess progress on the SDG indicators for the purpose of this CCA, this report utilises Census data and reports against the Joint Monitoring Program (JMP) ladder.<sup>273</sup> When interpreting the different service levels presented in this report, it should therefore be noted that safely managed includes only bottled water and that the “second best” category, basic, covers drinking water from an improved source that may or may not be free from contamination. Owing to gaps in water quality testing, achieving SDG indicator 6.1.1 is very ambitious and monitoring this may not give a full picture of how access is improving. Therefore, in order to be able to comment on recent progress since 2015 on access to basic water and sanitation (which is not an indicator for SDG 6 but is relevant to SDG 1, indicator 1.4.1), more recent interpretations from the JMP analysis of Timor-Leste's available data will be used.

**Problem description**

**Progress has been made at the basic service level, which can be assessed, highlighting that more households now have access to an outdoors tap/pump or a public tap – an increase from around 40% in 2010 to 78% of households at the national level in 2019.** There is, however, a clear urban–rural divide when exploring access to water and sanitation (Figure 3). In urban areas, 98% of households have access to at least basic water sources and 2% have a limited service level. In rural areas, however, 21% of households obtain drinking water through an unimproved water source and 6% from surface water.<sup>274</sup> Inadequate water supply also significantly affects irrigation and the agriculture sector, given that 90% of irrigation uses of Timor-Leste's freshwater resources. There is currently a lack of water harvesting in farms and the wider community, and the country is also geologically unsuitable for dams.<sup>275</sup> Furthermore, the irrigation supply in areas of high spring concentration and permanent/semi-permanent rivers is badly managed (on and off farm). This lack of adequate irrigation and water storage systems in rural areas inhibits the ability to alleviate water stress during the dry season.

**Figure 3: Urban–rural access to drinking water, 2019**



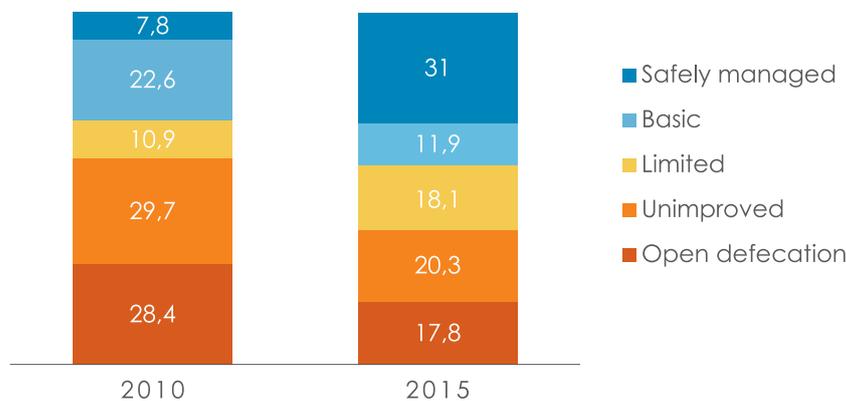
Source: JMP, 2019



**Timor-Leste has made significant progress regarding water supply and sanitation over the past few years but is still far from universal access to safely managed sanitation.** In 2017, nearly half of all households (54%) had access to *basic* sanitation, with respect to SDG 6 benchmarks. While these improvements are encouraging, 19.52% of all households in 2017 were still either using an unimproved toilet facility or practising open defecation.<sup>276</sup> Although Timor-Leste is believed to have one of the highest success rates in establishing ODF Zones, a quarter (27.96%) of all rural households are still practising open defecation. Between 2008 and 2011, the average ODF success rate was 41%, by far the highest in the region.<sup>277</sup> However, questions remain around the sustainability of these rates – that is, why and how many households revert to open defecation over time is not entirely clear. Non-governmental organizations (NGOs) and development partners have also pointed out that Community-Led Total Sanitation is still very much NGO- and UNICEF-led, while the Government still has not set aside a dedicated budget for M&E and follow-up.

To assess *safely managed sanitation*, SDG 6 indicator 2.1.1, it is necessary to look at 2015 Census data. Nearly a third of all households (31%) now have access to safely managed sanitation, an increase from 8% in just five years (Figure 4). *Safely managed* means that a household was using an improved toilet facility that was not shared with other households and where human waste was safely disposed.<sup>278</sup>

**Figure 4: Sanitation service levels using Census data, 2010 and 2015 (%)**



Source: GDS (2010, 2015)

**Addressing poor quality water and sanitation in schools will lead to progress on other SDGs – namely, SDGs 2, 3, 4, 5 and 6.** Analysis of 2012 Education Management Information System (EMIS) data shows that about a third of schools (30%) do not have a toilet; of those schools with a toilet, 50% are not functional.<sup>279</sup> The Water Supply, Sanitation and Hygiene (WASH) Strategy and Action Plan 2021–2025 notes that 12,000 toilets are needed to achieve a standard of 50 students per toilet cubicle, split into 9,000 required new toilets, as well as the rehabilitation of around 3,000.<sup>280</sup> A major issue with existing water and sanitation systems is poor sustainability. A 2011 survey found that, of systems built

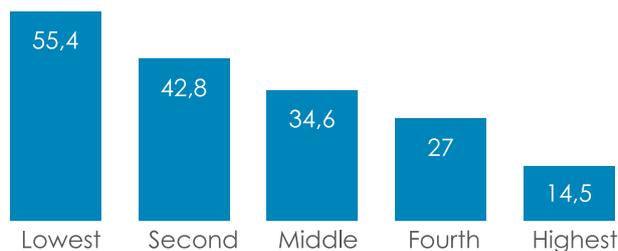
since 1999, 62% were not functioning owing to poor management and a lack of funds to procure spare parts (e.g. water taps) for repair and consumables for maintaining sanitation and hygiene facilities.<sup>281</sup>

### Causal analysis

**Inequality between rural and urban areas is very striking in relation to WASH.** The JMP, using 2017 data, shows significant disparities, with 76% of households in urban areas having access to basic sanitation compared with 44% in rural areas. Nearly a third of all rural households use surface water or water from an unimproved source as their main source of drinking water.<sup>282</sup> Access to safe water and sanitation is also very much a matter of socio-economic background, and this becomes particularly clear when exploring access to handwashing facilities, which play a vital role in hygiene and disease prevention. Around 90% of households in Timor-Leste do have a designated place for handwashing; however, more than a third (36%) have neither soap nor water.<sup>283</sup> There is a clear overall deprivation, as well as an urban–rural divide, as only 43% of the urban population and 22% of the rural population have access to basic hygiene facilities.<sup>284</sup> An investigation of household wealth<sup>285</sup> gives further reason for concern (Figure 5). There is a clear correlation between household wealth and the quality of a household's handwashing facility: households in the highest wealth quintile tend to be able to use soap and water to wash their hands; in the lowest wealth quintile, every other household (55%) has neither soap nor water.

To take the WASH sector towards SDG 6 targets, it will be essential to tackle capacity gaps in sector monitoring, operation and maintenance. There are no data on availability and quality of WASH services, which prevents identification of exact bottlenecks and allocation of limited resources. As the entire rural water sector is managed at community level through water management committees, operation and maintenance is not consistent across locations, which affects availability and quality of water. Communities would benefit from supportive supervision and technical and expert support mechanisms. Moreover, there is a need for increased capital expenditure to improve access to water and sanitation, which would incorporate service availability and quality from the inception, with adequate attention on sustainability through operation and maintenance mechanisms. Adequate human resources, an operational budget and appropriate technology are also key to addressing these gaps.

**Figure 5: Handwashing facility without water or soap by wealth quintile, 2016 (%)**



Source: GDS et al. (2016)



## Risks

**SDG 6 is one of the most interconnected goals, and failing to accelerate progress and to invest sufficient financial resources in this goal in Timor-Leste puts at risk progress on the whole Agenda 2030 (see Chapter 2.5 on environmental situation).** Access to a safe drinking water supply, sanitation and hygiene directly supports several other SDGs, in particular, SDGs 2 and 3, as high rates of diarrhoea and malnutrition are linked directly to lack of access to safe drinking water and sanitation. However, SDG 6 also links critically to SDGs 4, 5, 8 and 10. External donor funding to the urban water supply and sanitation sector has reduced in recent years (see Figure 9 under SDG 17).<sup>286</sup> This, combined with limited government expenditure on water and sanitation from the Infrastructure Fund,<sup>287</sup> puts at risk the small gains made on this goal. Water and sanitation urban master plans need sufficient resources to be implemented and monitored, and adequate resources must be allocated to maintain and operate rural water supply infrastructure, otherwise it is likely that progress made so far will slip.

**In relation to sanitation, although some progress has been made in creating ODF Zones in Timor-Leste, there is a significant risk of slippage in those areas and them returning to open defecation practices, putting at risk the Government's target.** The Government has been investing its efforts in making a steady move to its ambitious ALFA 2020 target – nationwide ODF status by the end of 2020<sup>288</sup> – and five municipalities have already been declared ODF. However, there are concerns about the sustainability of these successes. A study conducted in 2015/16, focusing in particular on Liquiçá, found that one or two years after having reached ODF status, on average 16% of households had reverted to open defecation.<sup>289</sup> A UNICEF study from 2014 found a slippage rate of 27%.<sup>290</sup> The country needs to set aside a dedicated budget for M&E and follow-up to ensure that those already classified as ODF do not go back to open defecation practices, by tackling the social behaviours related to open defecation. Poor families may also need financial support to upgrade their sanitation facilities to build on effective behaviour change initiatives.

## SDG 7: Affordable and clean energy

**Affordable and clean energy:** *Ensure access to affordable, reliable, sustainable and modern energy for all*

**Summary:** *Although significant gains have been made in access to electricity, this progress has slowed, and significant disparities exist in rural areas. There is still insufficient usage of clean fuel and energy, particularly among rural households. Unless further attention is given to prioritizing renewable energy, such as solar power, Timor-Leste will not make sufficient progress on SDG 7 and SDG 13 in relation to climate change and in promoting more sustainable economic growth.*

## Problem description

**Timor-Leste has made impressive strides in improving access to electricity: the country previously had one of the lowest rates of access to electricity in the world – at only 22% in 2007.**<sup>291</sup> Electricity access was one of the key objectives of the first phase of the SDP, and doubled from 38.9% percent in 2009/10 to 75.6% in 2016.<sup>292</sup> Although rural areas have experienced a big jump, from 24.8% in 2009/10 to 68.3% in 2016,<sup>293</sup> they lag significantly behind urban areas, where 98% have access to electricity. Crucially, 15% of the population still does not have access to electricity. According to UNICEF in 2017, approximately 50% of schools across the country are without access to electricity.<sup>294</sup>

**There is also insufficient investment in renewable energies and limited progress on deforestation.** As SDG 7 corresponds with Phase 3 of the SDP, the recent VNR did not prioritize this goal. However, as the economy of Timor-Leste continues to grow, and the population is predicted to expand, the country will start to have significantly greater energy needs, which will need to be addressed urgently. Solar power could play an important role in tackling the country's energy requirement, but crucially could also assist Timor-Leste to meet its obligations under climate change conventions. MoEYS is reforming the curriculum of both pre-secondary and secondary school (Years 7–9 and 10–12) so that it incorporates the topic of renewable energy.

**According to the DHS 2016, 87% of people use solid fuels (mainly firewood) for cooking and heating.** This is more common in rural areas (95%) than in urban areas (58%). Crucially, only 9% of the population relies on clean fuels and technology – 21.8% in urban areas and 4.1% in rural areas.<sup>295</sup> Electricity is used for cooking in only 8.2% of households; this rises to 21.3% of households in urban areas but the figure is only 4.1% in rural areas.<sup>296</sup> A 2011 study found that households used an average of 9.3 kg of firewood per day, meaning that in 2010 as much as 561,528 tons of firewood was consumed for household cooking.<sup>297</sup> This amount is roughly equal to 179,792 tons of oil.

## Causal analysis

**Energy poverty, faced in rural areas in particular, is driven by existing gender and geographic inequalities in Timor-Leste.** Too few households have energy-efficient stoves and a large number of remote and mountainous areas are not joined to the electricity grid. This further heightens energy poverty, widens gender inequalities and hampers more inclusive economic growth across the country. It is important to note the impact on the health and time burden facing women and girls, who often are expected to take on the cooking roles in the family. Kerosene, used by 17% of urban households, and wood, used by 95% of rural households,<sup>298</sup> can cause health issues and time poverty, with girls and women spending time collecting fuel wood far away from their homes.



## Risks

**Although the Government plans to facilitate universal electricity access by 2030, given the significant increases in demand likely to take place,<sup>299</sup> and the potential increases in international oil prices, the reliance on diesel fuel for generators could be costly and fiscally unsustainable.** From 2008 to 2013, 57% of total government expenditure was utilized to develop the electricity sector. Infrastructure spending, predominantly on electricity and roads, peaked in 2011 at US\$534 million, nearly half of total expenditure and GDP. This is one of the highest rates of infrastructure spending in the world. Switching to heavy fuels or liquefied natural gas could make potential fiscal savings. Government allocated US\$630 million to the purchase of diesel for the generation of electricity over 2013–2017. In 2013, the allocation for fuel for the generation of electricity was US\$100.8 million. The current budget for maintaining the national grid is low compared with international norms, and may be inadequate.<sup>300</sup>

## SDG 8: Decent work and economic growth

**Decent work and economic growth:** *Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all*

**Summary:** *While the economy of Timor-Leste is starting to grow again, there are serious concerns about fiscal sustainability, the need for economic diversification and domestic revenue mobilization, and the significant lack of decent jobs in the labour market, in particular for young people. The country is at risk of not reaping the potential demographic dividend as a result of the lack of skilled and healthy young people entering the workforce. Progress on SDG 8 is unlikely to be achieved unless there is sufficient growth in agriculture and the private sector to generate new labour-intensive jobs in productive sectors.*

### Problem description

**The economy has grown significantly in the past 20 years. However, the pace of growth has been decelerating since 2011,<sup>301</sup> and there are concerns about fiscal sustainability and lack of economic diversification.** GDP per capita declined between 2002 and 2006 and recovered between 2007 and 2010; this was followed by years of deceleration. In 2017, the political impasse, a reduction in public spending and delays in approving the state budget all created economic uncertainty (see Section 2.4 on the economic situation).

**Petroleum revenue made up 81% of all domestic revenues in 2016, making Timor-Leste one of the most natural resource-dependent countries in the world.<sup>302</sup>** The reliance on the oil economy makes the country vulnerable to changes in global oil prices and when petroleum receipts start to dry up (see Section 2.4).

**While the LFPR<sup>303</sup> has more than doubled, from 24% in 2010 to 46.9% in 2016, critically, over 50% of the working-age population is not economically active.** It is important to note that

the jobs that have been created are predominantly in the public sector. The rate among women increased from 14.5% (2010) to 40.6% (2016); however, 60% of working-age women are still not economically active and, critically, there is still a 13 percentage point gap between the LFPR of men and women.<sup>304</sup> Participation of women in the economy is still too low, reflecting the persistence of gender inequality. Persons with a disability are also five times more likely to be unemployed than those with no disability. Although women work predominantly in the agriculture sector (56% of employed women), they make up only 26% of wage employment (employees) in agriculture.<sup>305</sup> Furthermore, only 11.1% of women have access to banking services, compared with 15.6% of men (also very low).<sup>306</sup> This can prevent women from opening their own business, saving money and accessing credit.

**The unemployment rate of young people aged 15–24 is concerning: 21.9% were unemployed in 2013 –25.3% of young men and 16.7% of young women.**<sup>307</sup> Unemployment data give a general indication of the state of the labour market.<sup>308</sup> Young persons with a disability are also much more likely to be unemployed than youth without a disability. Significantly, 20.3% of youth (15–24 years) are NEET – 16.8% for males and 23.7% for females.<sup>309</sup> Overall, the youth unemployment rate is 12%, ranging from 5% in Aileu to 27% in Dili. Of those youth in employment, the majority (81%) work in non-steady jobs or are contributing to a family business, in most cases in small-scale agriculture.<sup>310</sup>

**Given this weak labour demand, a deficit in quality employment and decent work remain an acute issue. In fact, a large proportion of Timorese workers are in vulnerable employment.** This includes own-account workers and unpaid contributing family members. Between 2010 and 2016, the number of workers in vulnerable employment increased from 47.7% to 58%.<sup>311</sup> In relation to labour standards, Timor-Leste has ratified six of eight core labour conventions, and it has also begun to report on them. However, there is a need for better monitoring mechanisms to ensure laws are being implemented and enforced. Of total employment, 73.6% of women are own-account workers or contributing family workers (50.9% own account, 22.6% contributing family worker). This is in comparison with 47.2% of men (37.3% own account, 9.8% contributing family worker). Women perform contributing family labour throughout their lives in comparison with men, who largely perform this labour as youth, and to a lesser degree in old age.<sup>312</sup>

### Causal analysis

**The jobs that have been created are predominantly in the public sector, and economic growth has been largely driven by public expenditure, financed by petroleum revenue.** The private sector remains weak in Timor-Leste, and has not generated sufficient jobs and driven new areas of growth. Although engagement of the private sector is key to close the gap in financing the SDGs, with an average of only 6% of GDP private finance does not play a big role in the country's economy.<sup>313</sup> The private sector is small and mostly informal; in 2015, almost 70% of businesses in Dili were SMEs.<sup>314</sup> The growth of these is vital for economic diversification. Micro and small enterprises (MSEs), which employ fewer than 10 people, dominate the small private sector. While MSEs account for two thirds of businesses, they account for only 27% of private sector employment.<sup>315</sup> Additionally,



SMEs/MSEs in Timor-Leste encounter difficulties in accessing finance owing to lack of information, prevalence of informal business practices, heterogeneity of the market, poor enabling environment, absence of adequate entrepreneur and management skills and capacities, lack of collateral and regulatory constraints. The value-added in labour-intensive manufacturing and services such as tourism is crucial in the short to medium term to diversify the non-oil economy. Reliance on agriculture means there is a challenge in creating jobs outside farm production, preferably in agro-businesses, in order to diversify livelihoods, increase demand for farm production and improve productivity. Crucially, labour force surveys need to be more regular and should be disaggregated by gender and disability to ensure reliable data on who is being left behind in the labour market.

**Agriculture is the backbone of Timor-Leste's non-oil economy and contributes 17% of GDP, but productivity is very low.** The sector's share in GDP has declined from 2008, when it contributed 27.2% of GDP.<sup>316</sup> It is worth emphasizing that the reduction has been driven by an expansion of public services and construction (which in itself is driven mainly by public sector investment). Between 2004 and 2015, the share of agricultural gross-value added fell from 30% to 18%, while gross value-added of the construction and public services sector rose from 16% to 42%, making the public service the largest contributor to the non-oil economy.<sup>317</sup> Agriculture is a vital sector and has the potential to reduce poverty and enhance food security and nutrition; however, productivity is very low compared with in neighbouring countries with similar agro-economies.<sup>318</sup> There is the potential for the development of micro-enterprises in the agri-food sector where market access is assured, especially for youth and women.

**The low level of educational attainment of those who are employed reveals key concerns about the building of human capital needed to drive economic growth.** More than half (56%) of those in employment either have no formal education (34%) or have only finished primary education (20%).<sup>319</sup> Of the youth who are NEET, nearly a third (29%) have never attended school; the rest (71%) have started school but dropped out before completion.<sup>320</sup> Furthermore, employment rates are higher for those with no or low levels of education than for those with secondary or tertiary education, because of weak demand for skilled workers in the country and modest skills development systems. Demand for skills is sluggish because a thriving private sector is yet to be developed. Further, highlighting the impact of poor-quality education on employment, one survey revealed that 50% of first-time job-seekers who had attended technical and vocational schools lacked basic literacy and numeracy skills.<sup>321</sup> This low educational attainment level of the labour force, as well as the high number of young, economically inactive people, most of whom have dropped out of school, is a significant problem. There is little demand for manual, unskilled labour, let alone for skilled workers, and no real manufacturing base to absorb the working-age population. While there has been an increase in the working-age population who have completed tertiary education, only 12% of the working-age population has a tertiary qualification (2016), highlighting the significant skills gap the country faces. Improvement in technical and vocational training and education must go hand-in-hand with boosting labour demand in the country.

## Risk analysis

**As public expenditure in Timor-Leste is largely financed by petroleum fund assets, fiscal sustainability is at risk.** Economic growth so far has been supported largely through public spending, but the current spending regime is unsustainable.<sup>322</sup> Offshore petroleum production from the Bayu-Undan field is expected to stop by 2022/23.<sup>323</sup> In addition, domestic revenue mobilization is likely to remain subdued as reforms to broaden the tax base and to raise additional taxes are unlikely to be implemented anytime soon, given the delay in fiscal reform.<sup>324</sup> An unsustainable policy of spending from the Petroleum Fund now may lead to a complete run-out of its assets in the next 10–13 years.<sup>325</sup> While Tasi Mane/Greater Sunrise is expected to be one of the main revenue streams for the country's economy for the next years, it is not clear how these investments will be financed. According to the World Bank, “withdrawing significant resources from the Petroleum Fund for that purpose would contribute to a much faster depletion of its assets and further threaten fiscal sustainability”.<sup>326</sup> This could threaten public service funding, social transfers and investment in productive sectors of the economy needed for sustainable economic growth and accelerated poverty reduction.

**The current trajectory of growth is not contributing adequately to strengthening livelihoods and creating decent jobs, which is a risk to Agenda 2030.** It is important to recognize that, for sustainable poverty reduction, growth should result in improved livelihoods and quality jobs that are not only productive for the economy but also decent, so that the people involved are adequately remunerated and protected. Investments in quality education, health and nutrition need to be seen as vital for the economy in order to ensure young people are healthy and better prepared to enter the labour force. Rapid technological changes mean that job-seekers and workers must continually upskill or reskill themselves. Without a robust education and technical training system, Timor-Leste will not produce a future workforce capable of driving inclusive economic growth and sustainable development. There are several risks if the current pattern of spending and lack of economic diversification continues. First, the vision articulated in the SDP of Timor-Leste as a prosperous nation by 2030 will not be fully realized. Second, unemployment and lack of livelihood opportunities will mean that people will not be able to improve their economic welfare and be resilient to risks and shocks. Third, there will be implications for social development as a whole. Several gains made in health and education may be undermined in the future. Lastly, it will not be possible for the state to continue the current level of social spending without completely exhausting the assets from the Petroleum Fund.

**Timor-Leste is at risk of not reaping the demographic dividend owing to a lack of decent jobs for the increasing number of young people entering the labour market.** While the “youth bulge” and the downward trend in fertility rates could lead to a demographic dividend, this is by no means certain: the fertility rate needs to continue to decline rapidly, and decent jobs (i.e. outside of the informal and subsistence agriculture sectors) need to be created. However, there are currently not enough jobs for young people, and lack of economic diversification means there will be insufficient jobs in productive sectors in the future. Favourable dependency ratios do not *per se* lead to a thriving economy; for



this to happen employment opportunities must be created and the workforce must be healthy and reasonably well qualified. At the moment, “Timor-Leste is at risk of missing a demographic dividend because children are not receiving the necessary investments in their health and education that successful demographic dividend countries have made.”<sup>327</sup> The implications for social cohesion and political and economic security are significant (see Section 8 on risks).

## SDG 9: Industry, innovation and infrastructure

**Industry, innovation and infrastructure:** *Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation*

**Summary:** *Although significant investments have been made in infrastructure, there are concerns about the sustainability and prioritization of the Infrastructure Fund and further attention is needed to industrial policy. Further investment is needed in maintenance and rehabilitation of roads, to make them climate-proof, and to ensure adequate resources are allocated to infrastructure development in education, water and sanitation. Although mobile phone coverage has improved dramatically, Timor-Leste risks falling behind owing to low-speed internet connectivity.*

### Problem description

**Timor-Leste’s economy is still far from being classified as an industrialized economy; in 2016, manufacturing value-added was just 1% of overall GDP,<sup>328</sup> probably the lowest share of GDP in manufacturing in the world.** International company Heineken is the largest manufacturing business in the country. According to the World Bank, the creation of a focused industry policy with an increased emphasis on demand-driven technical and vocational training and education, business incubators and industrial parks could play an important role in structural change of the economy, strengthen economic diversification and reduce reliance on the oil economy. Investing in productive labour-intensive manufacturing processes, with low skill requirements, have the potential to lead to significant job creation, particularly of women, given their strong participation in the sector.<sup>329</sup>

**Another pressing infrastructure issue is the lack of fast, affordable and reliable broadband connections in the country – a vital requirement for private sector and e-commerce growth.** Impressive progress has been made in expanding the mobile phone network: in 2008, only 68% of the population lived within signal range;<sup>330</sup> today, 97% is covered.<sup>331</sup> While mobile phone coverage has risen dramatically, only 2% of both men and women use a mobile phone for financial transactions. However, only 25% of the population reported using the internet in the past 12 months, with slightly more men (28%) than women (22%).<sup>332</sup> The costs of data and connection speed are among the worst in the world, given the reliance on slow and expensive satellite services (see Table 3). Internet speed in Timor-Leste is estimated to be 25 times slower than in the Asia-Pacific region,

a situation that is likely to get worse with increased demand.<sup>333</sup> However, the Australian Government has recently stated<sup>334</sup> it will fund (potentially through a loan) the laying of a first sub-sea fibre optic cable connection. Faster and more reliable internet connectivity has the potential to radically transform Timor-Leste's economy, and could have a positive impact on sectors such as tourism, agriculture and education.

**Table 3: Cost of 1 MBPS internet in selected countries**

	Speed	Price
Cambodia	1 MBPS	US\$8.10
Australia	1 MBPS	US\$2.09
Indonesia	1 MBPS	US\$1.80
Timor-Leste	1 MBPS	US\$500

Source: Inder (2018)

**The Government has made substantial investments in infrastructure, as a key priority in Phase 1 of the SDP; however, concerns remain about prioritization of funds.** When the SDP was written, only 10% of roads in the country were in fair condition; around 90% of national roads were said to be in either poor or very poor condition.<sup>335</sup> Today the Infrastructure Fund, a financial instrument to target investment in major public projects over US\$1 million, covers projects on infrastructure, electricity, water supply, drainage and irrigation systems, and roads and bridges. In 2019, US\$368 million was allocated to infrastructure development. The roads programme and the Tasi Mane programme had by far the highest allocated budget, with US\$127.5 million and US\$60.6 million, respectively.<sup>336</sup> Prioritization is perhaps the most pressing issue when it comes to road infrastructure. While the country has ambitious plans in relation to road rehabilitation, the plans may not be sustainable and the opportunity costs of the resources are high. The economy is too small to be able to properly fund maintenance of the full road network.<sup>337</sup> The Transport Sector Master Plan<sup>338</sup> assumes that 60% of national roads and 75% of municipal roads are in poor condition.<sup>339</sup> Full rehabilitation of all existing roads to an international paved standard may lead to a road network that is bigger than the country can maintain or than the size the economy potentially requires.<sup>340</sup> A core of roads needs to be identified and prioritized, something that has been done for rural roads but not for national and municipal roads. In addition, other areas, like school infrastructure and water and sanitation systems, need urgent investment.

**To meet the demands of the education sector by 2030, 1,871 public classrooms are needed, of which 130 are in pre-school education, 1,573 in primary education and 168 in secondary education.** An estimated US\$21.2 million will be needed by 2025 to meet the demand for education in terms of classrooms, and school infrastructure in the public sector will cost the Government about US\$56.1 million by 2030.<sup>341</sup> There is also a need to allocate additional resources to address the poor quality (and maintenance) of the existing infrastructure. Investing in school infrastructure will make a significant impact on

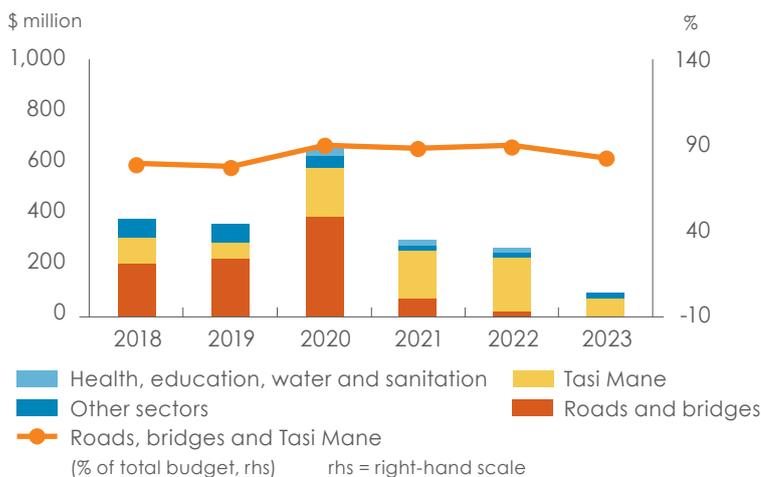


school learning and exclusion through addressing over-crowding, high dropout rates and the lack of school facilities in rural areas.

### Causal analysis

An integrated infrastructure investment strategy is needed to guide sustainable prioritization and funding.<sup>342</sup> It is suggested that what is needed is, first, prioritization of projects and policies; second, an estimation of the costs of necessary investments; and, third, the production of costings that focus more on recurrent expenditure (administrative and maintenance costs). Figure 4 shows the Infrastructure Fund budget for the coming years; the Tasi Mane project as well as roads and bridges make up more than 80% during 2019–2023, with no significant allocation for water and sanitation and limited infrastructure investments in health and education.

**Figure 6: Infrastructure Fund budget, 2018–2023**



Source: MoF (2019b)

### Risks

**The risks of not achieving SDG 9, with Timor-Leste being left behind from innovative industrial development, including exclusion from high-speed internet, are considerable.**

Research in 2019 has found that the widening broadband divide between countries in the Asia-Pacific region is alarming, and that some member states are at risk of being left further behind as a result of their exclusion from bandwidth-intensive technological applications and services.<sup>343</sup> Without significant improvements on internet speed, usage and cost, it is likely that poor communities, particularly youth, will get left behind, both globally and in comparison with wealthier Timorese citizens.

**While it is acknowledged that power and water supply, roads and bridges, airports and ports all play an important role in achieving the overall objectives of the SDP, so far infrastructure projects have been funded mainly through withdrawals from the Petroleum Fund.** This could be unsustainable, given ongoing fund depletion and the decline of existing oil fields. This raises serious concerns about fiscal sustainability and the ability to fill much-needed infrastructure gaps in water, sanitation and education. Furthermore, given Timor-Leste's vulnerability to floods, landslides and other natural disasters, infrastructure development will continue to be of great importance for the country. However, it needs to be ensured that it is climate-proof and disaster-resilient across the country. According to an expenditure review on the infrastructure sector in Timor-Leste,<sup>344</sup> well-planned maintenance and rehabilitation is the most important aspect for Timor-Leste's road network, in order to put in place all-weather accessible roads. Funding and ring-fencing well-targeted and prioritized maintenance and rehabilitation of roads is key to promoting resilience to disasters

## SDG 10: Reduced inequalities

**Reduced inequalities:** *Reduce inequality within and among countries*

**Summary:** *Although income inequality is low by international standards, and poverty has declined rapidly in the past decade, overall progress masks growing inequalities and uneven distribution of wealth and opportunities. Rural and mountainous areas, women, children and the poorest households face significant inequalities in outcomes. Progress on SDG 11 will require further attention to improve disaggregation of data in order to drive more evidence-based and targeted poverty alleviation programmes to reduce inequalities and promote inclusive economic growth.*

### Problem description

**Over the past decade, poverty in Timor-Leste has declined, in terms of both absolute poverty (i.e. the income-/consumption-based national and international poverty lines) and multidimensional poverty.** However, the reduction in poverty in Timor-Leste is much slower than that in the rest of the Asia-Pacific region.<sup>345</sup> Overall progress at country level tends to mask growing inequalities, and, while it is true that the standard of living in the country is slowly rising, this does not apply to all members of society. Wealth and opportunities are unevenly distributed. Regardless of how poverty is measured, rural, hard-to-access and mountainous regions tend to have a significantly higher poverty rate than urban areas, and it is these regions that are most at risk of being left behind. Children from the poorest households are more than twice as likely to die before their fifth birthday as children from the most affluent households.<sup>346</sup>

**While inequality within Timor-Leste is low by international standards, the Gini coefficient increased marginally from 0.29 in 2014 to 0.28 in 2007.**<sup>347</sup> Income inequality in Timor-Leste is characterized primarily by the unequal distribution of wealth among the population in



urban and rural areas. According to the DHS wealth index<sup>348</sup> at household level<sup>349</sup> almost 90% of the urban population are in either the wealthiest or the second wealthiest quintile. In comparison, half of the rural population (53%) is in the bottom two quintiles.<sup>350</sup> While in the lowest quintile nearly half of the population has not had any formal education, this is true for only a minority of those in the highest wealth quintile, with near parity among men and women. Furthermore, the likelihood of rural residents completing secondary education compared with people living in urban areas is 70% lower, and the likelihood of finishing higher education is 50% lower.<sup>351</sup>

**Wealth is highly correlated not only with education but also with other factors critical for Timor-Leste, such as digital inclusion and fertility.** While the proportion of Timorese who have ever used the internet is generally low (26% of women, 35% of men), the striking characteristic is again the relationship between wealth and internet use. Only 7% of men and 4% of women (aged 15–49) in the lowest wealth quintile have ever accessed the internet, in stark contrast with the 72% percent of men and 58% of women in the highest quintile.<sup>352</sup> The gender disparity across wealth quintiles highlights that gender inequalities are not reduced by wealth alone and must be understood within a wider set of structural and social factors. Another strong correlation can be detected between wealth and fertility rates (see Chapter 2.3 on the social situation). Based on the latest DHS, the average TFR in the country is 4.2,<sup>353</sup> with significant differences between wealth quintiles. The poorest women in society on average tend to have two children more than those in the highest wealth quintile, leading to a TFR of 5.2 compared with a TFR of 3.4.

**Poverty in urban areas has declined four times faster than in rural areas. Understanding internal migration and migration overseas is important to an analysis of inequality in Timor-Leste.** Effective migration governance is the key to safer, more orderly and regular migration and mobility of people, through the implementation of planned and well-managed migration policies. This includes promoting regular migration that respects the rights of all migrants and leveraging the possible development impact of migration for migrants themselves as well as for communities and countries. A cautious estimate of international migration is calculated as 0.5–1% of the population leaving Timor-Leste each year. Although remittances are a source of income for one in five households, and contribute to the economy, it is important to note that receiving households tend not to be poor.<sup>354</sup> Furthermore, although the country received US\$91 million in remittance inflows in 2018, US\$283 million was sent abroad.<sup>355</sup> Currently, there is no strategy to actively improve and facilitate the sending of migrant remittances to and from Timor-Leste. There are also no specific mechanisms to protect the rights of Timorese nationals working abroad. So far, the Government of Timor-Leste has mainly monitored remittance flows (inwards and outwards). Money transfer operators and commercial banks are required to submit quarterly reports on remittances to the Government. Despite this, the Government does not formally engage the diaspora in agenda-setting and policy development.<sup>356</sup> There is potential for the Government to provide incentives for the diaspora to invest in the country, such as through bonds administered through the Petroleum Fund, as well as through knowledge and skills transfer to communities, which can foster employment opportunities and industry growth.

### Elements of causal analysis

**In order to adequately track progress and ensure programmes are carefully targeted, there is a need for systematic dissemination and analysis of age-, gender-, income- and municipality-disaggregated data from all government surveys.** Enumeration of difficult-to-measure segments of populations, such as persons with disabilities, has in the past been a problem. This will be addressed in the 2020 Census through better training of enumerators and sensitization of the population on the importance of reporting household members' disabilities to ensure their access to services. More attention needs to be paid to target poverty reduction and growing inequalities in terms of income and opportunities for women, persons with disabilities and members of the LGBTI community.

**More attention needs to be paid to targeted poverty reduction and growing inequalities through carefully evidence-based fiscal, wage and social protection policies.** With 26 different (non-contributory) social protection programmes in place, Timor-Leste still lacks an overarching and coordinated framework for social protection, which has resulted in many gaps, with many people left without coverage or adequate support.<sup>357</sup> For example, while Bolsa de Mãe has been considered a conditional cash transfer programme with the potential for appreciable impact, the size of the benefit is seen as too small to affect households' welfare status. Without better targeting, those marginalized in society are at risk of falling further behind, sustaining an inter-generational cycle of low educational attainment, bad health, high fertility, low standards of living and informal, precarious, low-paid work. Not only does this go against the notion of inclusivity, dignity and human rights but also it is certain to stifle much-needed economic growth.

### Risk analysis

**Timor-Leste is prone to natural disasters, and human-induced hazards tend to exacerbate pre-existing inequalities, particularly for those who are most vulnerable (women, children and persons with disabilities and communities in remote rural areas facing conditions of poverty).** These hazards are increasingly magnified by climate and environmental change, fast-paced urbanization and population growth.<sup>358</sup> Although absolute losses tend to be higher among wealthier groups, the relative impact of disasters on low-income households is far greater as a result of limited opportunities to manage risk and strengthen resilience. While vulnerability is not about just poverty, generally it is the poorest and most marginalized groups, such as children, persons with disabilities and women, who suffer the most from the impact of disasters.<sup>359</sup> The poorest people are also more likely to live in hazard-prone areas and less able to invest in risk-reducing measures. This is worsened by lack of access to insurance and social protection. Hence, poverty is both a cause and a consequence of disaster risk, with drought the hazard most closely associated with poverty.<sup>360</sup> The impact of disasters on poor and marginalized populations can, in addition to loss of life, affect livelihoods, lead to displacement and migration, contribute to poor health and increase food insecurity.



## SDG 11: Sustainable cities and communities

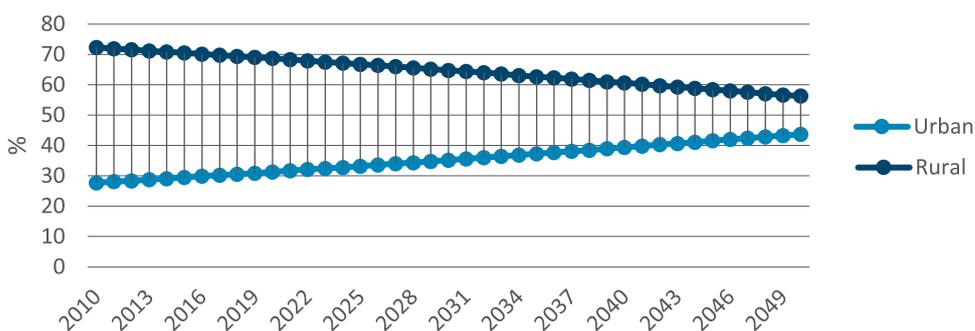
**Sustainable cities and communities:** *Make cities and human settlements inclusive, safe, resilient and sustainable*

**Summary:** *Uncoordinated urban growth owing to increasing rural–urban migration is placing significant pressure on infrastructure and education and health systems. There is currently no coordinated and planned approach to urban growth in Timor-Leste, which, if not addressed, is likely to slow progress on SDG 11 and cause problems around water supply, wastewater treatment, growth of informal settlements, congestion, public transport, power supply and general safety (especially for women and girls).*

### Problem description

**Although the majority (70%) of the country's population lives in rural areas, rural–urban migration is a growing trend.** Projections estimate that, by 2050, around 43% of the population will be living in urban areas (Figure 7), and current dynamics indicate that this growth is going to be predominantly in Dili. Urbanization is a global phenomenon. More than half of the world's population (55%) is already living in urban areas, and this is expected to increase to 68% by 2050; close to 90% of this growth will take place in Africa and Asia.<sup>361</sup> The municipality of Dili grew by around 20% from 2010 to 2015.<sup>362</sup> Two thirds of this growth was caused by internal migration from other municipalities, and the two dominant reasons for people to migrate were education (39%) and family (26%).<sup>363</sup> The 2015 Census reveals that 26% of all youth aged 15–24 living in urban Dili in 2015 had moved to the capital within the past five years, and 8% had moved to Dili in the previous year alone.

**Figure 7: Share of population in urban and rural areas, 2010–2050 (%)**



Source: UN DESA (2018b)

**Problems around the sustainability of uncoordinated urban growth are already visible with the development of slums.** A slum is usually defined as an area in which the inhabitants suffer one or more of the following household deprivations: lack of access to an improved water source; lack of access to improved sanitation facilities; lack of a

sufficient living area; lack of housing durability; and lack of security of tenure.<sup>364</sup> Further data are required on informal settlements in Dili to further understand the drivers of urban inequality. Water is a pressing issue in Dili: water demand in 2030 is estimated to be 160,000 m<sup>3</sup>/day, which is roughly three times the capacity of the current water supply, and the amount of wastewater to be treated is estimated at 140,000 m<sup>3</sup>/day, of which only a fraction is currently available.<sup>365</sup>

**Beyond infrastructural issues, concerns have been raised about the safety and inclusivity of the Dili Metropolitan Area.** UN Women conducted a Safe Cities scoping study with diverse partners in Dili, along with exploratory discussions on conducting a safety audit in three sites in Dili and the Baucau central marketplace. The study, conducted between November 2017 and July 2018, found that acts of sexual harassment and other forms of sexual violence against women and girls were often accepted as behaviours to be expected, alongside an unspoken belief that women needed to take measures to limit their mobility or movement in the city in order to reduce their risk of harassment.<sup>366</sup> Women know they may be blamed for their experiences of harassment by their families and the wider community, which perpetuates victim-blaming and stigma for those who come forward. At the same time, limited recognition of sexual harassment as a form of violence means there is often impunity to incidents of harassment in public spaces. Significant data gaps are a further barrier to understanding and addressing the different forms of sexual harassment in public spaces.

### Causal

**Although an Urban Development Master Plan exists for the Dili Metropolitan Area, there is no concrete government action on this issue, and the Government is at the very early stages of creating a Department of Urban Planning.** The Urban Development Master Plan for Dili assumes a growth rate of nearly 4% annually,<sup>367</sup> with the population of Dili estimated to reach 492,000 by 2030.<sup>368</sup> Sustainable urban growth requires urban planning but there is little capacity in this regard, and data gaps around informal settlements need to be filled in order to avoid the growth of urban and peri-urban slums.

### Risks

**Urban areas, Dili in particular, are likely to continue to grow, placing significant pressure on infrastructure and education and health systems.** Without a coordinated and planned approach to urban growth and a dedicated urban planning function in the Government, this growth is unsustainable in nature. It will cause problems around water supply, wastewater treatment, congestion, public transport, power supply and general safety (especially for women and girls).



## SDG 12: Responsible consumption and production

**Responsible consumption and production:** *Ensure sustainable consumption and production patterns*

**Summary:** *Although the country has made progress in the provision of solid waste management, establishing institutional frameworks and policies, it faces ongoing challenges in implementing policies. The data available to measure the progress the country has made to date remain limited, which makes implementation of evidence-based programmes on waste management and food supply systems even more challenging.*

### Problem analysis

**Data availability remains a major issue in measuring progress and implementing evidence-based programmes on waste management and food supply systems in the country.** There are no consistent figures on food loss and waste (harvest, post-production, storage, transportation, primary processing and wholesales). In the context of Timor-Leste, where national availability of food is highly reliant on imports (around 60% of food is imported),<sup>369</sup> the reduction of food waste could also result in lower and less volatile prices. Unsustainable agricultural practices and patterns (slash and burn, deforestation, etc.) are having detrimental effects on the environment – on soil fertility, water, soil nutrient loss, greenhouse gas emissions and degradation of ecosystems. While more research is needed to fully understand the reason that farmers use slash and burn, some drivers have been identified. First, forest land that is newly slashed and converted into agricultural land is particularly fertile, with minimum weeding and high yield. Second, in the short term, the clearing of pastureland and generation of fresh grasses is highly palatable to livestock. Third, farmers integrate fire into farming as it is generally considered the most productive farming system per unit of labour of any non-mechanized system. It is time-effective, clearing and reducing weeds, produces a flash release of nutrients and kills snakes, scorpions and other undesirable fauna. Despite limited information, however, the issue of food loss and waste is well recognized in the policy framework, shaping the fifth pillar of the Zero Hunger National Action Plan and identified as a core issue to be addressed under Outcomes 1 and 2 of the National Food and Nutrition Security Policy (post-harvest loss and food losses owing to disaster). SDG 12 will not be achieved unless strong national frameworks for sustainable consumption and production are integrated into national and sectoral plans, sustainable business practices and consumer behaviour, together with adherence to international norms on the management of hazardous chemicals and wastes. Decoupling economic growth from natural resource use is also fundamental to achievement of SDG 12.

**Exact data on the composition and quantity of waste in Timor-Leste remain limited.** In Dili, the total volume of waste in the dumpsite in Tibar is estimated to reach an average of 18,564 m<sup>3</sup> per day.<sup>370</sup> Although the waste is being disposed of in the landfill and categorized into general mixed rubbish, construction waste, scrap metal and expired goods for deep burial, most of it is burned. According to WHO, around 100 tonnes of hazardous wastes are produced every year in Dili from health care activities alone.<sup>371</sup>

**The National Sanitation Policy 2012 outlines the vision for a clean and hygienic environment and the need for five-year strategies to support investments in this direction, but nothing concrete has been developed.**<sup>372</sup> A 2015–2016 analysis of Timor-Leste's material flow<sup>373</sup> showed steady imports of paper and cardboard and increased imports of vegetable oil, vehicles and scrap steel. Figures suggest that most beverage containers remain in the country and should therefore be recycled.<sup>374</sup> According to a 2012 study by World Bank, there is estimated average solid waste generation of 0.79 kg per capita.<sup>375</sup> While waste oil is estimated at 247,500 litres per annum, an estimated 13% of the country's waste stream is made of plastic, with daily generation of approximately 68.4t of plastic waste, out of which 7.5t may comprise polyethylene terephthalate or high-density polyethylene. It is estimated that, owing to mismanagement, around 56.6t is released in water and enters the marine environment. In 2010, around 20,690t of plastic was released in water. If not addressed, the amount of plastic released is expected to rise to 64,205t by the end of 2025.<sup>376</sup>

Despite the presence of some recycling companies in the country, mainly recycling plastic bottles, paper and steel, efforts are insufficient to close the gap in waste management. A reduction rate of 40% of mismanaged waste with a container deposit scheme could recycle approximately 2.51t of polyethylene terephthalate and high-density polyethylene plastic a day, and this could be increased up to an 80% or above reduction rate – but this means that still 19,774t of plastic will become marine debris each year.<sup>377</sup> In 2019, the Government signed a memorandum of understanding with Australia's Mura Technology and Armstrong Energy to establish a non-profit organization to run a plastic revolutionary recycling plant<sup>378</sup> that could turn the country plastic-neutral.<sup>379</sup> Although implementation of this project will not start until the end of 2020, this is a promising opportunity to reduce plastic waste and create a source of revenue by transforming plastic waste into synthetic fuel.

### Causal analysis

**Imports compared with exports of recyclable materials remain relatively high; this, coupled with inefficient and unsustainable waste management practice at municipal level, is one of the main causes and drivers of high production of solid waste, in particular plastic waste.**

Although public awareness related to solid waste management has increased, efforts in this regard remain minimal. Inadequate five-year solid waste management and investment planning hampers the improvement of waste management infrastructure and services. Lack of capacity and inefficient coordination among institutions responsible for various aspects of solid waste management hinder the quality and efficiency of service delivery. The country faces continuous challenges in providing and implementing integrated strategies for solid waste management, including transport, treatment and disposal. Delivery becomes even more difficult in the face of limited technologies and equipment. To date, there are no charges for the collection or disposal of solid waste and the whole solid waste management system is funded



through government budget transfers. Generally, the annual budget for the provision of waste management services in Dili is around US\$700,000, and US\$800,000 including salaries, fuel, equipment and maintenance.<sup>380</sup> The relatively small budget made available is inadequate and not sufficient to guarantee quality service provision of waste management.

## SDG 13: Climate action

**Climate action:** *Take urgent action to combat climate change and its impacts*

### Summary

*Climate change and exposure to natural disasters poses significant threats to health and livelihoods and progress on Agenda 2030. While steps have been taken to improve Timor-Leste's level of disaster resilience, the country is still highly vulnerable to climate-related natural hazards and has limited capacity to cope. Rapid-onset disasters but also (slower) environmental degradation and scarcity of water are likely to be exacerbated by climate change and both have the potential to exacerbate inequalities and negatively affect vulnerable populations and livelihoods in the short and long term.*

### Problem description

**Timor-Leste is highly vulnerable to natural disasters such as cyclones, earthquakes, wildfires and landslides, as well as the consequences of rising sea levels owing to climate change; it has limited capacity to cope with and adapt to the health and environment impact of these disasters should they occur.**<sup>381</sup> The country is ranked 15th among the countries at highest disaster risk<sup>382</sup> and is expected to be affected by a changing climate in the future. This affects marginalized groups, damages infrastructure, decreases agricultural production and increases soil degradation, coral bleaching and coastal erosion, threatening the livelihoods of local communities and forcibly displacing them to urban areas for better opportunities<sup>383</sup> and resulting retrogression in the enjoyment of human rights, including the right to adequate food and housing as well as health and education (see Section 2.5 on the environmental situation).

**Climate change predictions for Timor-Leste project a continued increase in annual mean temperatures with extremely high daily temperatures.** Annual average air surface temperatures are expected to rise by 2030 by 0.4–0.8°C under a very low emission scenario or by 0.5–1.1°C under a very high emission scenario. There are no consistent model predictions on changes in annual rainfall. Nevertheless, models consistently point to a changing rainfall distribution, with more extreme rainfall days expected in the future. At the same time, the frequency of (meteorological) droughts is projected to remain similar to under the current climate. Furthermore, sea levels will continue to rise, sea surface temperatures are projected to increase, and ocean acidification is expected to be exacerbated. However, sufficient climatic time-series based on trend analyses are largely lacking in the country.<sup>384</sup>

**Climate change and exposure to natural disasters pose significant threats to the health and livelihoods of Timorese people in the coming decades.** Extreme weather events (heavy rainfall, flooding, drought and increased temperatures) will increase the transmission of water- and vector-borne diseases, food insecurity and under-nutrition, as well as heat-related mortality. Vulnerable populations (pregnant women, children, the elderly) will be particularly susceptible, with some pockets of the country being classified as more vulnerable based on biophysical, social and economic data. Timor-Leste's poor water and sanitation infrastructure not only increases health risks but also causes environmental risks and threatens people's livelihoods.

**Land degradation, most notably deforestation, is occurring in many parts of the country and, if not effectively addressed, risks rapidly increasing in the future.** Degraded land will be more prone to soil erosion and landslides in the uplands. Land degradation will also increase the risk of potentially disastrous floods in the lowlands, while undermining agricultural productivity and food security, water and soil quality, and biodiversity. Combined with climate change, this will increase hazard exposure, as important ecosystem services are being lost.<sup>385</sup> At the same time, climate change may lead to further land degradation, including through the impacts of increased dryness as well as sea level rise, straining water resources and potentially leading to desertification and salinization.<sup>386</sup> The impact on livelihoods will be felt directly.<sup>387</sup> In addition, health and well-being will be affected by impacts on water availability and quality. While Timor-Leste has recognized the importance of sustainable land and water management for climate change adaptation in its 2010 National Adaptation Plan of Action (NAPA),<sup>388</sup> no systems are currently in place to continuously monitor land degradation at national level. To accelerate progress on SDG 13, this commitment needs to be put in practice.

**Climate change may trigger migratory movements<sup>389</sup> and poses serious health risks, including of increased transmission of water- and vector-borne diseases, food insecurity, under-nutrition and heat-related mortality.** It will often be the most vulnerable – those with the least livelihood diversification options, the marginalized (women, children, those with disabilities, the elderly, youth, the poor) and those with the least access to services, resources and opportunities – that are left behind in the most at-risk areas.<sup>390</sup> They are also the ones most susceptible to climate-related health risks and often the ones most dependent on the natural environment and a conducive climate for their livelihoods.

**Disaster risk management structures and mechanisms are established but significant challenges remain in operationalizing these.** These challenges relate to information management, coordination and communication among all actors, government and non-government, on disaster preparedness.<sup>391</sup> Disaster response is further aggravated by insufficient infrastructure, including in transport and telecommunications. Meanwhile, Timor-Leste's disaster risk management system is relief- and response-oriented and does not encompass disaster preparedness, response and mitigation. In order to accelerate progress on SDG 13, continued strengthening of people-centred early warning at all levels is required.<sup>392</sup> Recent successes of community-based models in disaster risk planning and implementation may have the potential to be scaled up.



**Data gaps exist on almost all aspects related to climate change and its impacts, including disaggregated by sex, age and gender.** Climate data in the country for climatic trend analyses are insufficient; there is also no system in place to continuously monitor different forms of land degradation or other environmental processes. Not much research exists on the linkages between climate change, environmental degradation, vulnerabilities, livelihood security and resulting adaptation strategies, such as migration, that could guide policy-makers in managing expected social impacts from climatic or environmental effects on livelihoods. Given the absence of relevant data and monitoring systems, preparedness and early warning remain limited across sectors. A comprehensive evidence base for disaster response may not always be available, and there are difficulties in coordination and communication during disaster response. Services such as early warning may not always reach those the most affected.

### **Elements of causal analysis**

**Climate-related disaster risk in Timor-Leste is driven largely by vulnerabilities and lack of coping capacities.** Flooding is the hazard that affects the highest number of people<sup>393</sup> and can be expected to occur more frequently in the future. In addition, agricultural and hydrological drought incidents may increase, posing a serious threat to the rainfed agriculture-based livelihoods on which the majority of the population depends. Disasters in Timor-Leste rarely cause fatalities but they affect populations through adverse impacts on infrastructure, including private shelter and public infrastructures, such as schools, health and sanitation facilities, water and energy provision, and roads and bridges.<sup>394</sup> The most marginalized, living on particularly exposed lands and with the least means to cope, will often be the ones affected. Functioning infrastructure is vital for disaster response, and resilient infrastructure is needed to prevent a disruption of basic services, including health care and schooling, following disaster events. Lastly, poor drainage, in both rural and urban areas, exacerbates disaster risk.<sup>395</sup>

**Despite the risk that climate change brings to Timor-Leste, climate change and environmental issues are not high on the political agenda.** While there is recognition of the serious threat of climate change and disaster risks, and key policy frameworks exist (the 2010 NAPA, the 2013 National Hazard, Vulnerability and Risk Assessment, the revised 2018 draft National Disaster Risk Management Policy), in line with the Sendai Framework for Disaster Risk Reduction 2015–2030, these have not yet been translated into real public or political debate about climate change, what the country produces and consumes and what Government and society should do to mitigate the effects.

**The main barriers to effective climate change adaptation and disaster risk reduction include a lack of mainstreaming of such issues into all affected sectors, leading to a missing link between these and relevant sectorial policies/legislation and programming as well as a limited understanding of relevant climate change issues by sector actors.** At the same time, sectoral specificities need to be mainstreamed into policy and programming to ensure inclusive and effective disaster (risk) management and climate change adaptation. For instance, Timor-Leste has developed a Health National

Adaptation Plan for Preventing Health Risks and Diseases from Climate Change in Timor-Leste 2020–2024; however, several important barriers need attention and resources are required to ensure a resilient health system in the face of climate change. There is also a need for agricultural climate change adaptation through the promotion of climate-smart technologies across the crops, livestock, forestry and fisheries sub-sectors.

**A lack of resilient, climate-smart infrastructure poses barriers to effective adaptation and disaster response and drives vulnerability to climate change.** The lack of disaster-resilient public infrastructure (school, roads, sanitation systems, water supply and roads) has economic and social implications during both “normal” and disaster situations and very importantly poses significant challenges to disaster response. Vulnerable groups, in particular women, those living in mountainous and rural areas, those who already face health inequalities, those with disabilities, the unemployed and households suffering food insecurity, are the groups most likely to be affected by climate change and disaster. Infrastructure is already under strain and underfunded and it is highly likely that a disaster will place enormous pressures on services, exacerbate existing inequalities and reverse progress made on nearly all SDGs. To try to address this significant gap, Timor-Leste has recently attracted US\$22.4 million as part of the Green Climate Fund (GCF) to support climate-resilient rural infrastructure with co-financing from the Government and the United Nations Development Programme (UNDP).<sup>396</sup> This project could have a significant impact on safeguarding infrastructural assets in communities and livelihoods from the severe impacts of climate-induced disasters. The sustainability of this initiative will depend crucially on how effectively this initiative strengthens the capacity of communities and key government institutions at all levels to maintain this infrastructure and anticipate and manage climate risks into the future.

### Risk analysis

**If climate change adaptation and disaster risk reduction are not addressed in an inclusive manner, there is a risk that existing vulnerabilities and marginalization will be exacerbated.**

A vicious cycle can ensue when climate change and disaster impacts drive those least able to cope further into deprivation. This in turn may lead to increases in unsustainable resource use, for example of forest resources, which will eventually exacerbate the risk of climate-induced hazards and related impacts on the most marginalized.

**There is a significant risk that, if there is no large and sustained investment in climate-resilient infrastructure and in ring-fenced funding for maintenance and repairs of infrastructure, the impacts of climate-related disaster will worsen with every event, as structures and systems become ever more fragile.** This does not only increase economic costs and prevent effective disaster response but also, most importantly, erodes livelihoods and human well-being and reduces economic growth. Important gains made over the past two decades will be lost.

**Unplanned urbanization, demographic pressures and ecosystem degradation will exacerbate the risk emanating from climate change and expose more people; the**



**most vulnerable will remain those with limited coping strategies.** At the same time, if marginalized groups that experience multiple and intersecting forms of discrimination, such as women, youth, those with disabilities and the elderly, are not explicitly considered in climate change adaptation as well as disaster risk reduction and disaster management, most importantly disaster response, they may not receive appropriate assistance or support. Their vulnerabilities may even be exacerbated during events, exposing them to heightened risks, such as gender-based violence.

Lastly, there is a risk that a lack of evidence on the exact impacts of climate change and environmental degradation on people's livelihoods, adaptation and coping strategies will prevent the formulation of appropriate response and programming options that leave no one behind, and also the implementation of effective preventive measures.

## SDG 14: Life below water

**Life below water:** *Conserve and sustainably use the oceans, seas and marine resources for sustainable development*

**Summary:** *Timor-Leste's coastal and marine ecosystems remain threatened by destructive fishing practices, illegal fishing, overfishing, pollution, erosion, land degradation and climate change. The country is working towards expanding protected and managed areas for marine and coastal biodiversity and enforcing environmental policies and legal frameworks to conserve water bodies and combat the adverse effects of climate change, and exploitation and misuse of natural resources. However, lack of data makes it difficult to measure the progress of Timor-Leste on SDG 14.*

### Problem analysis

**The lack of ecological data regarding Timor-Leste's marine and coastal ecosystems makes the development of coastal areas challenging.** Timor-Leste is part of the Sea Large Marine Ecosystem, known for its fisheries production, endemic species, mega-biodiversity and contribution to global climate regulation. However, only 1.36% of the total marine area is considered protected, quite far below the global average of 8.40% percent and the average in Asia (4.57%).<sup>397</sup>

**A recent coastal mapping of Timor-Leste revealed significant and ongoing coastal habitat loss, particularly in coastal mangroves. In less than 70 years, the country lost 80% of its mangrove.** In 1940, the total mangrove area was 9,000 hectares; by 2008, this had decreased to only 1,802 hectares. Between 2000 and 2008 alone, the country lost around 40% of its mangrove forests. Geographically speaking, Dili, Manatuto, Liquiçá, Baucau, Lospalos, Bobonaro, Suai and Same, are the main regions where the mangroves are threatened by deforestation from illegal cutting for house and fishing boat construction. In Manatuto, for instance, the mangroves are cut for fuelwood to support the salt-making livelihood of the local community. Marine life corals are being threatened by pollution

and destructive and non-sustainable fishing practices. Also, sewage and solid waste discharged into the waterways finds its way to the sea, threatening aquatic species and polluting the coral ecosystems, with Tasi Tolu, Baucau, Cristo Rei, Jaco Island and Metinaro the most affected localities.<sup>398</sup>

**Overfishing, linked to demand for fish by coastal populations, remains a continuous threat to the marine ecosystem.**<sup>399</sup> Removal of wildlife from its habitat deprives the ecosystem and disrupts natural processes and functions. Molluscs and sea turtles are threatened by overharvesting in at least 11 districts in Timor-Leste.<sup>400</sup> IUU fishing, including significant trans-boundary fishing, is a serious threat to fishery resources. MAF estimates losses from IUU fishing at a cost of US\$40 million per year.<sup>401</sup> The socio-economic impacts of overexploitation of fisheries and IUU fishing include reduced economic returns and tax revenues, loss of employment of fisher families, conflicts between user groups and loss of food sources for humans and animals (including farmed fish). While the fisheries sector represents a relatively low percentage of Timor-Leste's total GDP (1.25%),<sup>402</sup> it contributes significantly to coastal communities. Nearly 10,000 artisanal fishing families as well as the populations of many non-coastal communities are heavily reliant on fish as an affordable source of protein and income. The coastline is mostly inhabited by rural communities, mainly dependent on (semi-) subsistence farming and fishing.<sup>403</sup> The changing climate and the physical and socio-economic condition of the country exacerbate its vulnerability, with women, children and lowland rural and poor communities the most vulnerable, given dependency on water and oceans for livelihood opportunities and food sources.

### Causal analysis

**Despite numerous policies and laws regulating the management and use of coastal and marine ecosystems, fishing, over-exploitation and unsustainable use of natural resources, habitat degradation and fragmentation are the main drivers of biodiversity loss.** The main factors behind these drivers are deforestation and unsustainable agricultural and fishery practices. Most of the mangrove losses are related to unsustainable harvesting for timber and fuelwood; in some cases, the mangroves have been removed for brackish water shrimp and/or fishponds.<sup>404</sup> Pollution (solid waste and sewage), invasive species and climate change are other factors that have an impact on biodiversity loss and water quality.<sup>405</sup>

**High demand for fish by coastal populations, coupled with weak enforcement capacities and inappropriate fishing regulations, are the primary causes of overfishing.** These unsustainable fishing patterns remain a serious threat to the aquatic ecosystem. Population growth on the one hand and inadequate infrastructure for water supply and sewage water management in urban centres on the other are the main reasons for excessive pollution of coastal environments. Erosion from deforestation, in particular of the mangrove forests and riparian vegetation, is having a negative impact on the country's marine and aquatic ecosystems, causing recurrent flash flooding of some coastal areas.<sup>406</sup>



### Risk analysis

**While urbanization will further exacerbate current challenges to the country's marine and coastal resources, including through water and air pollution and greater intensity of natural resource use,<sup>407</sup> climate change will negatively affect marine resources in the country through erosion caused by storm surges and high waves.<sup>408</sup>** Climate change will likely cause an increase in ocean acidification and have a huge impact on the country's agriculture and fisheries practices. Although ecotourism may have significant potential for development, if it is not sustainably managed and regulated it could worsen food insecurity in coastal environments and increase threats to marine and aquatic ecosystems. Weak enforcement and inappropriate regulations and policies on the management of water bodies and biodiversity may slow progress towards conserving and sustainably using the oceans, seas and marine resources by 2030. Any future developments regarding coastal areas will be challenging if ecological data regarding the country's marine and coastal ecosystems continue to be lacking.

### SDG 15: Life on land

**Life on land:** *Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss*

**Summary:** *Although the country has made progress to protect and restore its forests, halt and reverse land degradation and prevent biodiversity loss by improving the legislative framework and enforcing rule of law, at the current pace it is less likely to achieve the 2030 targets. Although a lack of data presents a challenge to accurately measuring progress made at the national level, evidence shows that issues of land degradation, habitat loss and deforestation will remain, with a great impact on poor communities, in particular those living in rural areas and areas prone to disasters.*

### Problem analysis

**Only 16% of the terrestrial area is categorized as a protected area.<sup>409</sup>** Depletion of forest coverage continues to take place in varying degrees across the island, with only small pockets of dense primary forest intact. Although forests cover approximately 45% of the national territory, this is steadily declining.<sup>410</sup> Based on satellite image analysis, it decreased by 30% over 1972–1999.<sup>411</sup> From 1990 to 2010, there was an average deforestation rate of -1.3%.<sup>412</sup> From 1990 to 2010, 11,000 hectares of forest were lost to deforestation and forest degradation annually. This translates to a remaining 50% forest cover for the whole country.<sup>413</sup> In addition, between 2011 and 2018, the country lost around 1,356 hectares of tree cover annually.<sup>414</sup> Approximately 35% (4,538.5 km<sup>2</sup> or 453,850 hectares) of the land area (excluding approximately 22 km<sup>2</sup> of water bodies) has some type of forest cover. The remaining primary forest vegetation is minimal. Estimates range from 1% to 6% of the whole territory. The use of fuelwood as the main source of energy for

cooking has led to a massive depletion of the country's forest coverage, in rural areas in particular, where community members, often living under the poverty line, are engaged in forestry activities<sup>415</sup> as the main source of income.<sup>416</sup>

**Land degradation in Timor-Leste is a widespread problem, with the highest impact on the drier drought-prone northern coast and northern slopes, including steeply sloping denuded mountain forests.** However, there is little or no basis for estimating its extent and severity. The only indicator available is the rate of deforestation suffered by the country, currently estimated at 1.7% per year (increasing from 1.1% per year prior to 2000) – four times higher than the global average of 0.3%.<sup>417</sup> Reduced land productivity through deterioration of land resources such as soil, water and vegetation has a great impact on community livelihoods. Already infertile soils are laid bare, weeds invade and this can reduce farmers' desire to increase agricultural production, reducing food security. Increased runoff of rainfall and erosion of sloping areas also causes shortages in domestic and irrigation water supplies, and siltation of waterways. This can eventually damage water-harvesting, irrigation and road infrastructure and flood agricultural lands and settlements. All this results in crop, livestock and fisheries losses and in turn in reduced incomes and welfare of rural households.

**The natural resources in the country are fragile and depleted, and continue to be unsustainably exploited, leading to habitat loss and degradation.** Deforestation has led to the near elimination of ebony, sandalwood and teak trees.<sup>418</sup> The total number of threatened species in the country that are part of the Red List includes 50 mammals, six amphibians and 236 birds. In 2017, Timor-Leste was ranked 43rd in the region in terms of the total number of threatened mammal species, excluding whales and porpoises.<sup>419</sup>

### Causal analysis

**Over-exploitation and unsustainable use of natural resources, including habitat degradation and fragmentation, are the main drivers of biodiversity loss in the country.** Climate change, pollution, deforestation, unabated collection of sand and stones in riverbeds, unsustainable agricultural practices and conversion of land for other uses are the main causes of habitat degradation and biodiversity loss.<sup>420</sup>

**Extensive deforestation in the forms of illegal logging, forest fires, use of fuelwood for energy, grazing of livestock and conversion of land to agricultural uses results in continued reduction of the forest cover and loss of ecosystems.**<sup>421</sup> Lack of adequate land for cultivation puts pressure on forests, forcing particularly those in rural areas to cut down trees to meet their needs for arable land and fuelwood.<sup>422</sup> In addition, inadequate irrigation facilities may cause the deforestation to continue, through increased erosion and hence the deforestation of steeper and more marginal lands.<sup>423</sup>

**Land degradation in Timor-Leste is caused by both natural and human factors.** Natural factors include steep slopes, unstable soils and torrential rainfall that increase the risk of soil erosion and landslides. However, much of the land degradation has



been caused by human factors: inappropriate use and management of land (e.g. deforestation, illegal logging of important tree species) and unsustainable agriculture practices (e.g. cultivation of steep slopes and slash-and-burn/shifting cultivation, uncontrolled grazing, recurring forest fires); lack of alternative land for poor farmers to cultivate; and the non-adoption of soil and water conservation measures owing to a lack of security of tenure. Other underlying causes include population pressure on land, outdated and unworkable government policies and regulatory frameworks, and ineffective law enforcement.

**Shifting slash-and-burn cultivation and free grazing is the predominant farming practice in Timor-Leste.** This method involves cutting and burning fallow vegetation/forests at the end of the dry season. The land is then ploughed in preparation for planting. The long-term use of this approach – burning all organic matter on the soil surface before planting – has degraded the soil, leaving the land with low organic/carbon and nutrient content. As a result, the soil surface seals with the first rains, increasing runoff and erosion and reducing water-holding capacity. Additionally, sediments from the eroded soil are strong pollutants of marine life. Slash-and-burn practices, and the resulting uncontrolled fires, are now recognized as the number one contributor to deforestation, loss of biodiversity, soil erosion and infertility, slope and water regime instability, and overall land and environmental degradation in the country. Furthermore, to practise slash and burn, farmers need to manage 5–10 times more land than they cultivate in any given year. This farming system thus creates vast areas of nearly unproductive land as degraded forest. This land is invaded by aggressive weeds and becomes poor for grazing, ruling out the production of marketable forest products.

Several barriers need to be addressed to successfully promote sustainable/climate-smart agriculture such as conservation agriculture. Conservation agriculture technology (no burning and no tillage) is still counterintuitive to Timorese farmers, who are dubious about cultivating without burning. Timorese farmers also have limited access to markets, as trade policies do not protect local farmers and processing infrastructures are almost non-existent. Rapid and sustainable increases in productivity under sustainable/climate-smart agriculture would lead to volumes that the market is not able to absorb locally, which could lead to price slumps or production losses. Availability of adapted sustainable/climate-smart agriculture equipment (farm mechanization) is also a challenge. Field-testing and intensive knowledge management is also needed to promote adapted agriculture technologies. Sustainable/climate-smart agriculture policies are not adequate: such systems are not reflected in the 2014–2020 MAF Strategic Plan, a budget has not been allocated and the MAF free land preparation service in its current form is a disincentive to sustainable/climate-smart agriculture adoption.

In addition, lack of coordination among the government institutions with a mandate for natural resource management remains a challenge and a barrier to a timely and adequate response to environmental issues and threats.<sup>424</sup>

## Risk analysis

**Climate change is a continuous risk and a main contributor to land degradation and biodiversity loss.** A change of vegetation cover as a result of climate change may exacerbate existing land degradation issues, with detrimental effects on the livelihoods of many people, especially the poor living in rural areas.

**A continuation of, or increase in, existing practices and behaviours related to deforestation and slash and burn may exacerbate existing climate risks, droughts, soil infertility, flooding, soil erosion and landslides.** Unless more sustainable patterns are introduced to provide communities with long-term livelihood opportunities that reduce the risk of forest conversion to non-forest uses, these behaviours will continue to threaten the environment and functioning of the various ecosystems. Reducing deforestation and forest degradation through community behaviour change may help meet mitigation goals. However, inadequate rule of law and law enforcement, coupled with inefficient coordination among government institutions to sustainably manage natural resources, poses continuous risks to the reduction of land degradation and deforestation.

## SDG 16: Peace, justice and strong institutions

**Peace, justice and strong institutions:** *Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels*

**Summary:** *Although Timor-Leste has made good progress in establishing democratic institutions, ensuring social cohesion and strengthening political dialogue, significant challenges remain, particularly in the justice sector and strengthening the capacity of municipal institutions. Progress has also not yet translated into the protection of marginalized or vulnerable groups such as women and children. Violence against women and children remains endemic. Progress on SDG 16.1 to significantly reduce all forms of violence and SDG 16.2 to end abuse, exploitation, trafficking and all forms of violence and torture of children is therefore lagging.*

### Problem description

**Since the widespread violence in the aftermath of the 1999 referendum and the 2006–2007 violent crisis, Timor-Leste has made remarkable progress in peace-building.**<sup>425</sup> Maintaining peace in Timor-Leste is a pre-requisite to attaining sustainable development. The country has continued to remain peaceful since the departure of UNMIT in 2012 and is ranked 54th out of 170 on the Global Peace Index.<sup>426</sup> Although the country has been relatively free of political violence for over a decade, though, violent outbreaks among members of martial arts groups continue to have a significant negative impact on local communities.<sup>427</sup> Although the Government in 2013 decided to ban three major martial arts groups on the basis of their involvement in violent clashes,



the ban did not address the underlying causes of violence, of which “social jealousies due to unequal access to public goods and services, resources, and employment opportunities frequent prominently”.<sup>428</sup>

**Sexual and gender-based violence remains a critical concern: a quarter of all women aged 15–49 have experienced sexual violence by age 18 (SDG 16.2.3) and 31% in the past 12 months.**<sup>429</sup> Physical violence against children at school, in the community and at home appears to be widespread. In one small-scale mixed-method study, 75% of boys and 67% of girls reported experiencing physical violence by a teacher at school in the previous 12 months, including being hit (with hand or object), slapped, kicked, pinched or pulled.<sup>430</sup>

**Despite notable progress over the past decade, the justice sector in Timor-Leste remains weak.** Promoting rule of law and ensuring equal access to justice for all is paramount in maintaining peace, encouraging growth of the private sector and promoting social, political and economic development and human rights in the country. The justice sector in Timor-Leste had to be established from scratch following the destruction of infrastructure in 1999 and the departure of all legal professionals from the Indonesian administration. There are only four district courts serving the entire country, and a Court of Appeals, which also serves as the Supreme Court of Justice. The number of judicial actors, although it has increased, is still relatively low: just 35 judges, 34 prosecutors, 35 public defenders supported by 166 judicial officers, 17 translators and 127 administrative staff. Thus, even though the clearance rate of criminal proceedings is high, there was still a significant backlog of pending criminal cases (3,832) and civil cases (1,404) in 2019.<sup>431</sup> Barriers to justice include long distances to municipal centres where the courts are located, poor road conditions and limited public transportation, language barriers and high opportunity costs, especially for the poor and vulnerable in rural areas. Beyond access, the functioning of the justice sector remains weak, with an incomplete legislative framework and procedures that do not always consider the specific needs of vulnerable persons. For instance, there is no law on child protection and there are limited child-specific procedures.

**Corruption and bribery remain a prevalent issue in Timor-Leste despite the country being signatory to the United Nations Convention Against Corruption since 2003 and having ratified it in 2009.**<sup>432</sup> In 2015/16, 44% of all businesses that participated in the World Bank Enterprise Survey reported having paid a bribe to, or having been asked for a bribe by, a public official. The survey also found that reported incidence of corruption to secure a government contract was nearly double the regional average (see Table 4).<sup>433</sup> While the creation of an independent Anti-Corruption Commission (CAC) is certainly an important step in tackling corruption, the actual impact of this is still limited. Administrative data show that, in 2017, even though a total of 486 testimonies were collected, only 23 cases were under investigation or had been concluded. In 2018, the CAC interviewed 748 witnesses and 55 suspects and investigated 49 cases.<sup>434</sup> While this trend is certainly positive, the CAC currently does not have the capacity to tackle the corruption in Timor-Leste's public sector. Nevertheless, the first review of progress under the Convention found strong political will to tackle corruption and praised the drafting and adoption of a comprehensive legal framework in a relatively short period.<sup>435</sup>

**Table 4: Selected corruption indicators, World Bank Enterprise Survey 2015**

	Timor-Leste	East Asia & Pacific
Bribery incidence (% of firms experiencing at least one bribe payment request)	44.2	31.2
Bribery depth (% of public transactions where a gift or informal payment was requested)	27.5	24.7
% of firms expected to give gifts to secure government contract	81.4	40.8
Value of gift expected to secure a government contract (% of contract value)	14.5	2.4

**An effective public administration grounded in transparent and accountable institutions at all levels is paramount to ensuring the delivery of services vital to achieving the other SDGs and enhancing accountability.** While the decentralization of planning and budgeting to municipalities is a key component of the Government's agenda, the delegation of competencies remains low. Municipalities oversee rather than implement investments from Dili and the level of decision-making remains limited. Decentralization remains a highly politicized topic that could trigger further tension among decision-makers, and decentralization laws are still awaiting approval.<sup>436</sup> Once the laws that guarantee local elections at municipal level are approved and implemented<sup>437</sup> and power is fully devolved,<sup>438</sup> this may increase the capacity and reach of the Government to deliver on the SDP. However, public financial management and financial capacities at municipal level are weak, and municipalities are likely to face significant constraints once decentralization is underway.

**The Timorese Constitution guarantees freedom of expression as well as freedom of assembly,<sup>439</sup> and the country established a National Human Rights Institution in 2005 (the PDHJ).** Since 2018, Timor-Leste has been classified as "free" on the Freedom in the World Index; before, it was "partly free".<sup>440</sup> On the 2018 Democracy Index, Timor-Leste is the most democratic country in ASEAN;<sup>441</sup> it tops all members of ASEAN on press freedom, according to the 2018 World Press Index.<sup>442</sup> This is an important achievement towards SDG 16 in ensuring public access to information. As a relatively young democracy, Timor-Leste has made impressive electoral progress, with over 80% of registered voters participating in the 2018 presidential election and turnout of 76% for the parliamentary elections in 2017 – higher than in more advanced democracies.<sup>443</sup> However, there remains room for improvement, particularly regarding the participation and civic engagement of children, adolescents and youth. The mechanisms currently in place – the Youth Parliament at national level (targeting 12–17 year olds) and youth representatives on *suco* councils – do not yet ensure meaningful participation. Limiting factors include lack of facilities and human resources to promote participation, limited access to information and cultural attitudes of families and the wider community, as well as of youth themselves.<sup>444</sup>



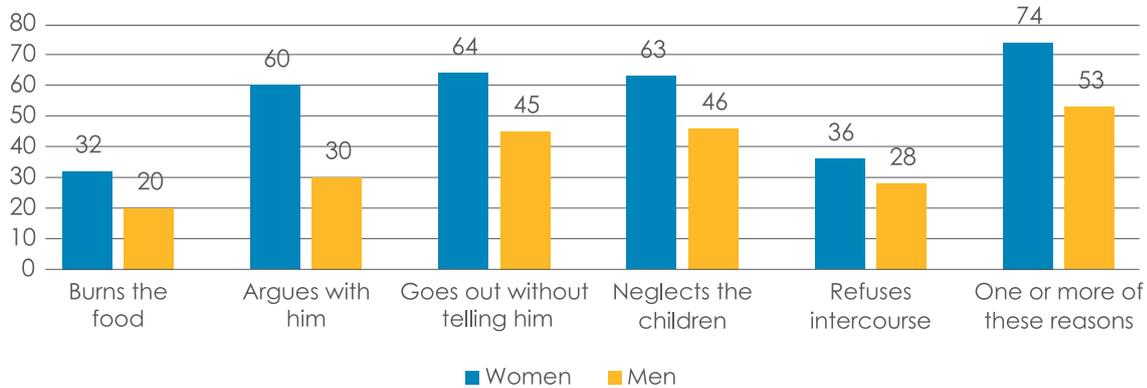
**Birth registration and provision of legal identity for all (SDG 16.9) is a key issue where progress has been slow.** Around 60% of children in Timor-Leste have had their birth registered<sup>445</sup> – low compared with other countries such as Indonesia (73%) and Myanmar (81%).<sup>446</sup> Among those who have been registered, less than half possess a birth certificate.<sup>447</sup> Very little progress has been made in increasing birth certification, from 30% in 2010 to 31.3% in 2015.<sup>448</sup> If children do not legally exist, programmes are not designed to include them and their needs. In order to achieve universal birth registration and certification, at least 80% of children under five will need to be registered by 2025, and registration will need to increase by roughly a third in the next five years. Key capacity gaps include insufficient human resources and limited budget for civil registry services, as well as limited awareness and capacity of local stakeholders such as village chiefs and midwives. Moreover, the Civil Registry Code, which is to be the central legal framework for birth registration, has been in draft for several years, and standard operating procedures are lacking. Additionally, there is limited demand by citizens for birth certificates, as most social services can be accessed using other forms of identification.

#### **Elements of causal analysis**

**The judicial system is severely overstretched, with inadequate institutional capacities that need to be further strengthened.** Traditional justice mechanism, whose existence the Timorese Constitution recognizes,<sup>449</sup> is often more accessible, swifter and better understood and accepted by communities. However, violations of human rights in the customary justice system are common. Currently, there is no legislation defining the relationship between customary and formal justice and the delimitation of legal spheres. Customary law follows the matrilineal and patrilineal practices of inheritance, and 90% of the land in Timor-Leste is governed by customary land tenure systems.<sup>450</sup> The Land and Property Law 2017 guarantees that traditional practices are non-discriminatory, and ensures gender equality. However, in practice, gender norms limit women's actual access. Help-seeking after violence remains low, with 76% of women never disclosing violence or seeking help.<sup>451</sup> Gender-based violence, including domestic violence, made up 67.7% of 1,036 criminal cases monitored by the Judicial System Monitoring Program (JSMP) in 2018.<sup>452</sup> Access to justice continues to be problematic for survivors of gender-based violence and people from the LGBTI community.<sup>453</sup>

**The persistence of violence against women is compounded by significant tolerance of such behaviour, even among women themselves. This is reflective of social norms that give women a lower status than men and sanction men's power and control over women.** Domestic violence is aggravated by a high tolerance of spousal abuse, with more than three of four women and men reporting that they believe that a man is justified in physically beating his wife<sup>454</sup> (see Figure 8). In addition to violence perpetrated within the home, women, girls and men who do not conform to traditional gender norms face various types of harassment and violence in public spaces, on the streets, on transportation and at schools and places of work.

**Figure 8: Share of women and men who agree a husband is justified in beating his wife for specific reasons (%)**



Source: GDS et al. (2018)

**Tolerance among the population of the use of force by the police and army and of violence in general, including in the home and at school, is high.** Tolerance of violence is a significant concern within the school environment, highlighting the inter-generational influence of social norms and early socialization of gender norms for girls in particular. Although MoEYS has issued a “Zero Tolerance” directive prohibiting violence against children in schools, there seems to be a widespread perception that a teacher hitting or slapping a child is “teaching the child discipline”, and physical punishment is understood as part of educational development. In addition, one in 10 girls have experienced sexual violence at school, and 7% of boys.<sup>455</sup> Very limited information and reliable data is available on violence against children in Timor-Leste; however, several studies highlight widespread corporal punishment (or physical violence) as a way of disciplining children both at home and in school. A small-scale UNICEF study found that 83% of parents believed it was sometimes necessary to frighten or threaten their children in order to make them behave, and 46% that, in order to bring up, raise or educate a child properly, the child needs to be physically punished.

### Risk analysis

**The high levels of youth employment and the emerging youth bulge,<sup>456</sup> if not addressed, could pose a serious risk to the peace and stability the country has enjoyed over the past decade.** Clashes among martial arts groups and other gang-related violence need particular attention. The high percentage of the country’s youth that are NEET<sup>457</sup> must be viewed as an urgent issue warranting government prioritization. Given the number of young people who will enter the labour market over the next decade and the anticipated lack of large-scale employment opportunities, this remains an issue that should be monitored closely. Youth have a crucial role in maintaining peace and political stability. However, if they are not given space to participate politically and in civic life, and do not start to see jobs and tangible benefits of the Petroleum Fund, they may resent the growing inequalities between veterans’ families, the political elite and non-veterans.



**Occasional confrontations between the army and the police present a moderate security risk.** Some of the challenges from 2012 remain, such as lack of resources, both financial and operational, as well as disciplinary concerns, corruption and alleged involvement of individual officers in organized crime and martial arts groups. However, a serious subversion or even collapse of the police, as in 2006, is highly unlikely. The elections were characterized by calm conduct and high voter turnout, leading to a substantial percentage of women being elected to the Parliament. Yet low participation of women and youth in local planning, the top-down decision-making process, confusion and erosion of the legitimacy of the current leadership at municipal level mean that the needs and interest of these groups are at a high risk of being overlooked.

**The ongoing polarization of political parties and the tense relationship between the president and the Government/Parliament, and within the coalition, have increased the president's political vetoes on legislation and pose a risk to political and economic stability.** This polarization was demonstrated noticeably in December 2019, when the Government withdrew the proposal for the 2020 budget and restarted the budget process, as a result of tension within the coalition and an anticipated veto from the president and the opposition. Early this year, President Lú-Olo vetoed the proposed state budget among, among other things, to a significant imbalance between foreign asset acquisition and investment in social capital such as health and education.<sup>458</sup> Although the budget was eventually approved by parliament majority, this remains a risk for the next year's budget, and will have adverse impacts on effective governance and public service delivery. The polarization is also demonstrated by the president's refusal last year to swear in eight ministers and three vice ministers proposed by the ruling coalition owing to their alleged involvement in corruption.

**Land disputes are a common problem in Timor-Leste and land-related conflicts and dispossessions are often referred to as the two "dormant giants" threatening security and stability in Timor-Leste.**<sup>459</sup> A 2016 survey covering Dili, Ainaro and Ermera found that approximately 10% of land is under dispute, and many believe land disputes fuelled the 2006 crisis.<sup>460</sup> With over 70% of the population dependent on land for their livelihood<sup>461</sup> but only a quarter considered food-secure,<sup>462</sup> access is vital. Land disputes owe to a chaotic legal situation resulting from the overlap of land titles issued under Portuguese and Indonesian colonial rule, the destruction of central records after the referendum in 1999, conflict-related land abandonment and occupation and the ongoing importance of customary land systems (see Section 8 on risks).

**The issue of corruption and weak justice presents a serious threat to private sector growth, economic development and diversification.** Corruption, along with perplexing and overlapping land and property titles, an ineffective judicial system, limited access to credit and poor contract enforcement can dampen growth in the private sector, vital to strengthen the non-oil economy. The high cost of doing business will most likely force businesses to move elsewhere in the region where they find it easy (and safe) to do business (i.e. Vietnam, Cambodia, Laos). There is also a considerable risk of political intervention in the justice system.

## SDG 17: Partnerships for the goals

**Partnerships for the goals:** *Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development*

**Summary:** *The decline in official development assistance (ODA) and limited foreign investment and domestic revenue mobilization raises concerns about financing the SDGs in Timor-Leste. Collaboration with the WTO and ASEAN may play an important role, but, in order to make significant progress on SDG 17, partnerships with a broad range of stakeholders will be required. However, crucially, a clearer framework and institutional mechanism for financing, monitoring and delivering 2030 will also be required.*

### Problem description

**Timor-Leste cannot accelerate progress on Agenda 2030 on its own, without partnerships and cooperation. Establishing and strengthening partnerships with a diverse group of actors is critical to financing the priorities laid out in the SDP and achieving Agenda 2030.** These partners could include governments, the private sector, academia, the media and civil society organizations at national, regional and global levels, among others. However, in addition to new partners, diversification of financing and new forms of financing mechanisms could be beneficial. This could include South–South partnerships, the issuance of “climate, development and diaspora bonds”, encouraging high-net worth individuals to the country and supporting philanthropic foundations to finance SDGs as additional ways of attracting finance. While the Government now has significant resources to invest through wealth earned from the Petroleum Fund, this is a finite solution. Wider forms of financing remain scarce (see Section 7 for an in-depth analysis of financial flows). Timor-Leste’s overall economy remains dominated by oil. The development finance landscape of the country is also largely driven by domestic public finance (72%), which is funded by the revenues from the Petroleum Fund. These revenues, however, reached their peak in 2012, and since 2016 have dropped sharply. Potential other oil fields such as the Greater Sunrise Fields remain uncertain. ODA has also declined in both amount and proportion of overall development financing in recent years and is expected to continue to fall in the coming 10 years.

**Timor-Leste’s application for membership and observer status in ASEAN and the WTO,<sup>463</sup> respectively, come with benefits and challenges, but overall membership is seen as positive.**

Timor-Leste has made a strong political investment in advocating for membership of ASEAN; however, its strategic economic plan to join remains unclear. It will be important for the Government to understand the impact of different obligations under membership of WTO and ASEAN and their respective agreements (e.g. the General Agreement on Tariffs and Trade). Eventual accession into the WTO, which promotes a universal, rules-based, open, non-discriminatory and equitable trading system, will most likely increase the country’s access to international markets. This, however, requires proper identification of products and services in which it has a comparative advantage. The potential implications of membership need to be explored. In addition, in order to take full advantage of the economic opportunities that could be available through these partnerships, Timor-Leste will need to invest in its people to ensure they have the necessary skills, knowledge and technology to compete.

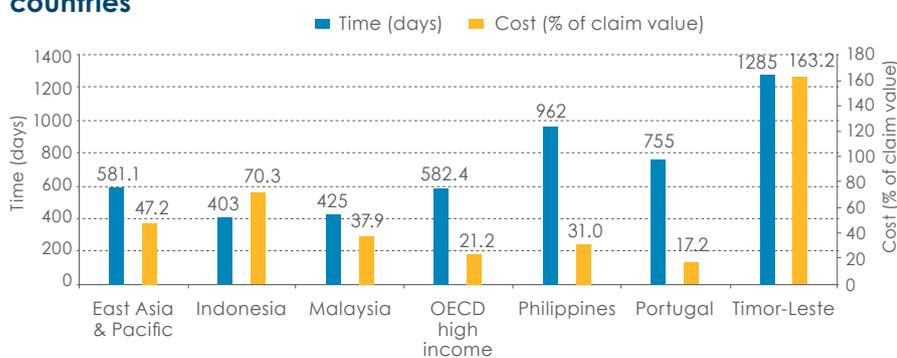


**Identifying additional forms of South–South cooperation, like the g7+, could enable Timor-Leste to continue showing leadership and exchanging lessons on SDG 16 and Agenda 2030.** The country's leadership within the g7+, an voluntary inter-governmental organization of 20 countries affected by conflict, has proved very effective and played a key role in securing a stand-alone goal on peace, justice and strong institutions (SDG 16). Seeking out additional opportunities for South–South cooperation will be crucial in enabling Timor-Leste to learn from good practice and increase its voice on the international stage.

### Causal analysis

**The private sector has an important part to play, among other actors, in financing the SDGs; however, it is a long way from playing a lead role in the SDG financing landscape.** Furthermore, its role in both the education and health sectors will need to be examined carefully. More data are needed on the presence and barriers facing the private sector in the country. Domestic investment by private corporations and foreign direct investment remain notably low, both in absolute terms and as a proportion of the overall finance. They accounted for only 6% of total financing in 2016, at US\$84 million and US\$5.5 million, respectively.<sup>464</sup> Only three public-private partnerships exist in the country, with just one (Tibar Bay Port) having reached the implementation stage. Ease of doing business remains a critical impediment to private investment, and the cost and time it takes to enforce contracts in Timor-Leste is much higher than in East Asia and the Pacific (see Figure 9).<sup>465</sup> As outlined under SDG 16, corruption is still a prevalent issue, affecting in particular the private sector. Low private investment indicates that there remain significant barriers to private sector growth. This makes it very challenging for Timor-Leste to meet the goals of economic diversification and job creation, which are to be led on by strategic industries such as agriculture and tourism. Attracting private sector foreign direct investment is vital; however, it is crucial that robust review and monitoring frameworks are created to ensure regulations and incentives structures for the private sector are put in place and monitored.

**Figure 9: Time and cost of enforcing contracts in Timor-Leste compared with other countries**



Source: World Bank (2019d: 42)

## Risk analysis

**Timor-Leste aims for the private sector to be the primary source of growth over the long term<sup>466</sup> and yet this will require a change in the country's approach to economic development.** There is a substantial risk that, unless the Government seriously prioritizes economic diversification in productive sectors to drive new engines of growth, growth in the private sector will not materialize. This is an issue not just for job creation and the economy, but also for social cohesion, if the growing numbers of youth cannot find meaningful opportunities to engage in the economy. If private sector growth does not occur in the immediate future, and fiscal sustainability does not improve, there will be a notable gap in financing for the SDP and the SDGs.

**The decline in ODA, combined with reliance on oil revenues to fund public expenditure, raises concerns that funding for key sectors will continue to decrease, stalling progress on Agenda 2030.** In becoming an upper-middle-income country by 2030, one of the primary objectives of the SDP and the VNR is sustaining levels of development finance following the transition. The VNR states that the country "is keen for targeted support from the international community to develop exit strategies as it transitions to middle income country status".<sup>467</sup> Although the United Nations Committee for Development Policy (CDP) has twice found Timor-Leste eligible for graduation, it decided to defer its decision on graduation at its 2021 triennial review<sup>468</sup> owing to borderline results on graduation indicators of economic vulnerability and human capital.<sup>469</sup> While Timor-Leste has a growing gross national income, it also has high economic vulnerability, fragile institutions and weak human capital. While transition from least developed to middle-income status could have numerous benefits, including being in a stronger position to join ASEAN, it is important to consider the additional trade challenges it will bring. Coffee exports to Europe, for example, are currently benefiting from Timor-Leste's least developed status as this guarantees preferential market access.

**The absence of a clear framework for implementation of the SDGs may put at risk crucial new partnerships needed to finance and implement Agenda 2030.** Despite establishment of the SDG Working Group, production of the SDG Roadmap and the 2019 VNR, there is still no institutional home for the SDGs with a senior member of government leading on Agenda 2030. The SDG Working Group (with dedicated senior representatives from ministries, civil society, the private sector and youth, women and disabled groups) played a vital role in the 2019 VNR process. However, it does not have an officially recognized role in overseeing progress on the SDGs beyond the VNR process. The absence of a designated ministry or unit responsible for the SDGs is a key bottleneck in the monitoring of the SDGs and ensuring policy coherence, inter-sectoral coordination and adequate financing. It also prevents wider consultation with a diverse group of stakeholders to ensure different perspectives on the implementation of the SDGs are heard (see Section 8 on risks).



## 5. COMMITMENTS UNDER INTERNATIONAL NORMS AND STANDARDS

Timor-Leste has established a legal framework that firmly protects human rights, and it is party to seven out of nine core UN human rights treaties and four optional protocols.<sup>470</sup> In 2005, the country established a national human rights institution, the PDHJ, as an important first step in complying with its commitment to international human rights instruments and their reporting. It has been accredited with A-Status by the Global Alliance of National Human Rights Institutions, as it is established in line with the Paris Principles. The country is also committed to ongoing Universal Periodic Reviews and treaty reporting, and civil society and the PDHJ also submit their alternative reports to these human rights mechanisms.

Numerous policy and legislative frameworks were established as part of Timor-Leste's vision to uphold international and national gender equality commitments. It is important to recognize that Timor-Leste's Constitution and subsequent legislation embed the vision of the women's movement and gender equality advocates prior to the restoration of independence. Laws and policies on violence against women cover domestic violence (including marital rape), sexual violence and some forms of sexual harassment, and trafficking in persons, among other forms of abuse.<sup>471</sup> Legislation on rights to land and property, the SDP 2011–2030 and the SDG Roadmap similarly recognize equality between men and women, but only select strategies and sectors<sup>472</sup> explicitly respond to the widespread and structural discrimination that prevent women from accessing these rights. The formal Land Laws provide equal access to land for women and men (SDG target 5a); however, customary law follows matrilineal and patrilineal practices of inheritance, and even in matrilineal communities practices and gender norms limit women's actual access.

Timor-Leste has stated its commitment to ratify the Convention on the Rights of Persons with Disabilities and is working towards this. Although Timor-Leste is party to other-related conventions, among other countries it has not yet acceded to the ILO Convention Concerning the Minimum Age for Admission to Employment. Timor-Leste has ratified six of eight core labour conventions, and it has also begun to report on them. However, there is a need for better monitoring mechanisms to ensure laws are being implemented and enforced. The country is party to the Refugee Convention, the Rome Statute of the International Criminal Court and the Protocol to Prevent, Suppress and Punish Trafficking in Persons Especially Women and Children.

The country has been a State Party to the Convention Against Corruption since 2009. The first review of progress under this found strong political will to tackle corruption and praised the country for drafting and adopting a comprehensive legal framework in a relatively short period.<sup>473</sup> Despite this, corruption and bribery remain a prevalent issue in Timor-Leste. Timor-Leste had signed and ratified the WHO Framework Convention on Tobacco Control, a binding treaty that provides a comprehensive framework for national legal and policy action. The country is also a State Party to the IHR, adopted by the World Health Assembly in 2005, which represents a binding commitment to build national capacities to detect, assess and report public health events.

Although the legal framework on human rights is strongly supported by various policy frameworks,<sup>474</sup> new policies, legal frameworks and enforcing instruments are needed to shift the country's trajectory of development into realizing human rights for all as a goal. The extent to which legal and political commitments on human rights are being implemented in the country varies considerably. Institutional capacity, good governance, effective delivery of public services and quality data and data literacy are, among others, some of the most pressing challenges in implementing the 2030 Agenda and realizing human rights for all.



## 6. CROSS-BOUNDARY, REGIONAL, AND SUB-REGIONAL PERSPECTIVES

Timor-Leste's ability to achieve the SDGs will also be shaped by current and emerging cross-boundary and regional issues, including health pandemics, migration, marine and maritime issues, organized crime and cross-border cooperation.

### 6.1. Global health pandemics

The world is facing a growing risk of pandemics, exacerbated by conflict, migration and climate change. Timor-Leste is particularly vulnerable as a result of its fragile health systems, high rates of malnutrition, increasing urbanization and inadequate water and sanitation, which exacerbates the speed and impact of disease outbreaks. The country faces an ongoing risk of emerging and re-emerging infectious hazards such as influenza, Zika and infections arising as a result of anti-microbial resistant strains. The evolving COVID-19 pandemic has already demonstrated key vulnerabilities in health systems readiness and response capacities. Major exposure to a pandemic is likely to disrupt the entire health system, and access to health services for all diseases and conditions, and could lead to even greater mortality. The economic impact is likely to be profound. According to World Bank models, the impact of a global influenza pandemic on countries in Asia is likely to lead a 2% drop in GDP.<sup>475</sup> Timor-Leste has a fully functional influenza surveillance system. However, in recognition of the scale of the response that would be required, it crucially is receiving funding and capacity support through a Pandemic Influenza Preparedness Framework grant to strengthen this system and improve disease surveillance and response guidelines. MoH is also being supported to set up a Health Emergency Operation Centre and Emergency Medical Team to act as a coordination hub in a public health emergency.

The recent outbreaks of measles in New Zealand, Samoa and the United States highlight the threat posed by the resurgence of diseases, even vaccine-preventable ones. Although, Timor-Leste was verified in 2018 as having eliminated endemic measles, having been free of locally transmitted measles for three years, recent outbreaks in the country highlight its vulnerability to resurgence if vaccination rates drop.

## 6.2. Organized crime

Threats posed by transnational organized crime groups, such as those working in illicit drugs and human trafficking, which extend beyond the borders of the country, must be considered, given Timor-Leste's location in Asia and Oceania and the existence of criminal networks operating in Southeast Asia. The extent of illicit drug trafficking in Timor-Leste is currently unknown. However, Timor-Leste's potential to become a transit and a destination country remains a considerable issue as a result of its proximity to major drug markets in Southeast Asia and Oceania. Between 2015 and 2018 there were two drug trafficking cases: one on methamphetamine and the other on cannabis.<sup>476</sup> Timor-Leste is a party to the 1988 United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances but has not ratified the 1961 Convention on Narcotic Drugs and the 1971 Convention on Psychotropic Substances. There is no national coordination mechanism of all agencies working on illicit drugs in the country, and information-sharing among relevant agencies occurs only on an *ad hoc* basis. The country is party to the Refugee Convention, the Rome Statute and the protocol related to human trafficking. In 2016, the Inter-Agency Anti-trafficking Working Group was established. Following this, in 2017, the Law on Preventing and Combating Human Trafficking was passed. Timor-Leste has also ratified six of the eight fundamental international labour standards.<sup>477</sup> Despite increased efforts in investigating and prosecuting trafficking cases, with 267 unconfirmed trafficking victims identified and criminal charges pursued in 2018, the national police confirmed and referred only nine trafficking victims to shelters and did not obtain any convictions.<sup>478</sup>

## 6.3. Cross-border cooperation and trade

Almost 40% of Timor-Leste's total trade in goods between 2012 and 2014 was with Indonesia. In 2019, the Government of Indonesia and the Government of Timor-Leste signed a memorandum of understanding to support cross-border trade and cooperation between Timor-Leste and Nusa Tenggara Timur province in Indonesia. The Government is also creating a Single Window Customs Portal to help create a modern and professional Customs Authority and improve cross-border trade facilitation and revenue collection.



Timor-Leste has a very low and uniform tariff (2.5%) with very few exceptions and no stated quotas. Joining the WTO and ASEAN (see SDG 17) will strengthen Timor-Leste's market access and help grow the country's exports, particularly in Asia. Singapore, China and Vietnam represent 30% of trade, and, according to the World Bank, accessing a greater percentage of "niche" external markets could have a significant impact on a small economy like Timor-Leste.<sup>479</sup> The Government of Indonesia and the Government of Timor-Leste have also agreed new cooperation in relation to cross-border disaster protection. As both countries are at high risk of natural disasters, increasing cross-border support is vital to improving resilience and response to disasters.

#### 6.4. Migration

Migration is an important driver for sustainable development, bringing substantial opportunities such as for skills transfer, improved labour force participation and financial investment. It also empowers communities in countries of origin.<sup>480</sup>

Remittances are an important source of income for many households. In 2018, Timorese workers living abroad sent US\$91 million home, and US\$283 million of remittances were sent abroad.<sup>481</sup> The Government estimates that around 2,000 Timorese are deployed in Australia and South Korea, with another 50,000 living abroad, mainly in Indonesia, the United Kingdom and Australia. Timor-Leste has established migrant worker programmes with Australia and South Korea. However, the majority (87%) of seasonal migrants are men, so "these routes do not offer gender-balanced opportunities."<sup>482</sup> Optimizing the benefits of labour migration requires the development of policies, legislation and administrative structures that promote efficient, effective and transparent labour migration flows and safe labour migration practices, and that facilitate the ethical recruitment of migrant workers. It is the Government's aim to increase access to labour migration schemes and expand destination countries, to include New Zealand, ASEAN countries and those of the Community of Portuguese Language Countries, as well as the Middle East.<sup>483</sup> It will be critical for the Government to recognize the positive contributions of migrants to inclusive growth and sustainable development, encourage a multi-stakeholder approach and call for improved migration governance in seeking ways to positively leverage the benefits of migration.

#### 6.5. Marine and maritime issues

Timor-Leste's coastal and marine ecosystems remain threatened by destructive fishing practices, illegal regional fishing, overfishing, pollution, erosion, land degradation and climate change. High demand for fish by coastal populations, coupled with weak enforcement capacities and inappropriate fishing regulations, are the primary causes of overfishing. MAF estimates losses from IUU at a cost of US\$40 million per year, threatening coral reefs and the livelihoods of communities that rely on fishing. In 2009, Timor-Leste, along with Indonesia, Malaysia, Papua New Guinea, the Philippines and the Solomon

Islands ("The Coral Triangle") adopted a 10-year five-point Coral Triangle Initiative for Coral Reefs, Fisheries and Food Security Regional Action Plan. This aims to improve management of the region's coastal and marine resources, ensure food security and sustainable livelihoods and protect the region's ecosystems and the marine species.<sup>484</sup> Timor-Leste is working towards expanding protected and managed areas for marine and coastal biodiversity. However, lack of data makes it difficult to measure progress and enforce environmental policies and legal frameworks to conserve water bodies.





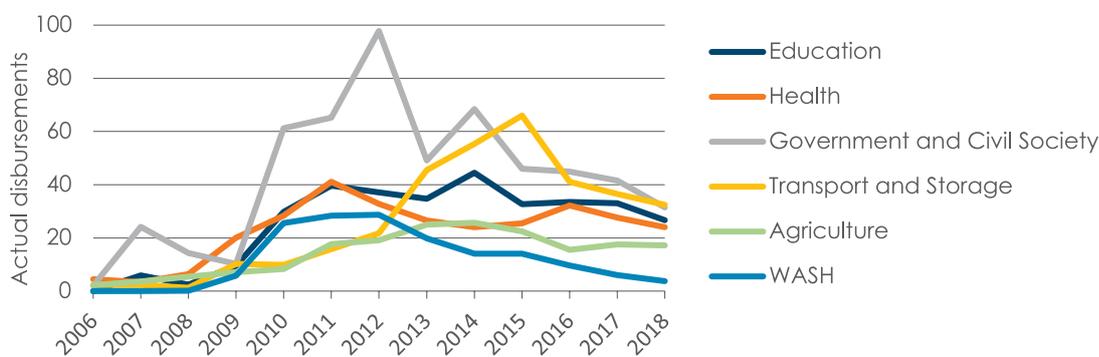
# 7. FINANCING LANDSCAPE

The overall trend in the financial landscape for sustainable development is negative, based on a contraction in donor funding, reliance on declining petroleum receipts to fund public expenditure and low levels of domestic revenue mobilization. While financial resources for the SDGs are in principle available, thanks to the \$16 billion Petroleum Fund, the prioritization and efficiency of spending raise concerns about the sustainability of SDG financing. In 2019, a Development Finance Assessment (DFA), supported by UNDP, investigated the current financing landscape in Timor-Leste. This looked at ways of strengthening the financing of the SDP and implementation of the SDGs and investigated public and private, domestic and international, resources. One of the key recommendations is for the country to develop an integrated financing strategy.

This section reviews the primary sources of financing; domestic revenues, ODA and international private financing (including foreign direct investment) and provides an assessment of the current costing of the SDGs.

## 7.1. Official development assistance

International finance accounted for almost 17% of total financing in 2016, most of it in the form of grants.<sup>485</sup> ODA has been steadily declining since 2012, from a peak of US\$276.6 million in 2012 to US\$174.2 million in 2018 (see Figure 10). This trend in declining ODA is expected to intensify in future, with planned development partner commitments falling possibly to US\$52 million by 2021.<sup>486</sup> This is concerning, given that ODA grants made up 30% of total education spending on average between 2011 and 2017 and 50% of health financing in 2016.<sup>487</sup> However, Timor-Leste has recently attracted new finance as part of the GCF, which has allocated US\$22.4 million, with US\$36 million co-financing from the Government and an additional US\$400,000 from UNDP.<sup>488</sup> This highlights the potential for climate finance, if the Government is keen to co-finance and support improvements in climate adaptation and resilience.

**Figure 10: Official development assistance for key sectors, 2006–2018 (US\$ millions)**

Source: Aid Transparency Portal

## 7.2. Domestic revenue

Petroleum revenue made up 81% of all domestic revenues in 2016, followed by revenue from taxes (13%) and non-tax revenue (6%). This makes Timor-Leste was one of the most natural resource-dependent countries in the world.<sup>489</sup> At its peak, the offshore oil and gas sector made up over 90% of total revenue. The Sovereign Wealth Petroleum Fund was set up in 2005 to invest oil revenue and to finance the state budget. It has grown steadily over the years, with assets worth around US\$16 billion in 2016.<sup>490</sup> According to the Petroleum Fund Law of 2005, the Government cannot withdraw more than 3% of petroleum wealth. However, as a result of the establishment of a frontloading policy, with the aim of investing more money in the short term to diversify and accelerate economic development in the medium to long term, withdrawals from the Petroleum Fund in excess of the Estimated Sustainable Income (ESI) have been made repeatedly<sup>491</sup> over the past few years.

As public expenditure in Timor-Leste is financed largely through Petroleum Fund assets, it may not be possible for the Government to continue its current level of social spending without completely exhausting these assets. Current estimates suggest petroleum reserves from existing fields will run out by 2022/23. Petroleum receipts have been falling, and little progress has been made on economic diversification and domestic resource mobilization. This raises significant concerns about the sustainability of development financing. While Tasi Mane/Greater Sunrise is expected to be one of the main revenue



streams for the country's economy for the next years, it is not clear how these investments will be financed. According to the World Bank, "withdrawing significant resources from the Petroleum Fund for that purpose would contribute to a much faster depletion of its assets and further threaten fiscal sustainability."<sup>492</sup> Given limited oil reserves, the drop in oil prices in the international market, the potential decrease of revenues from oil production and excessive withdrawals from the Petroleum Fund,<sup>493</sup> the country will need channel all available domestic and international finances.

Timor-Leste's level of taxation is one of the lowest among low- and middle-income countries in the region, as the regime operates with low tax rates and significant exemptions.<sup>494</sup> Strengthening domestic resource mobilization is crucial to medium-term fiscal sustainability, but the delay in fiscal reforms means this is not likely in the short to medium term. Timor-Leste established a Fiscal Reform Commission in 2015 with the target of increasing domestic revenue to 15% of GDP by 2020, through reforms to policy, trade facilitation and customs administration. However, the status of both this and the reforms is unclear. According to the DFA, "reforms overlooking the existing tax regime are unlikely to result in revenues increasing much in relation to GDP."<sup>495</sup>

### **7.3. International private financing (including foreign direct investment)**

Private finance does not play a big role in the Timorese economy. Domestic investment by private corporations and foreign direct investment remain notably slow, both in absolute terms and as a proportion of overall finance. They accounted for as little as 6% of total financing in 2016, at US\$84 million and US\$5.5 million, respectively.<sup>496</sup> Private sector investment remains low as a result of significant barriers to private sector growth, and the DFA points to a lack of reliable data on investment flows of both local and foreign origin. The non-oil private sector is small and informal; almost 70% of businesses in Dili in 2015 were SMEs.<sup>497</sup> The growth of these businesses is vital to economic diversification. However, over the past couple of years, the lack of public spending, as a result of the political impasse, has had a negative impact on SMEs. The DFA identifies the business and regulatory environment as one major obstacle to private sector growth, leading to problems around the enforcement of contracts, registering property, personnel capacity and access to credit. As for the latter, even though banks maintain substantial excess liquidity owing to an increase in bank deposits, private sector credit has declined since 2006, reaching 21% of GDP in 2016. This leaves an estimated credit gap of US\$409 million, meaning that around a third of SMEs in Timor-Leste are unserved or underserved by the financial sector.<sup>498</sup>

Private sector companies in Timor-Leste are now part of United Nations Global Compact on corporate sustainability. Supporting the private sector to engage in the Global Compact will enable it to play a bigger role in the implementation and financing of the SDGs. New innovative financing mechanisms, such as the issuance of climate, development and diaspora bonds that can help unlock extra financing, could be

additional ways of attracting finance. Encouraging high-net worth individuals to invest in Timor-Leste and supporting the role of philanthropic foundations in financing the SDGs could be considered.

#### **7.4. Assessment of the current costing of the SDGs**

There is currently no specific financial framework or costing strategy for the total investment required to achieve the SDGs. The absence of a designated ministry or unit responsible for the SDGs is a key bottleneck in monitoring the SDGs and ensuring policy coherence, inter-sectoral coordination and adequate financing. At present, the SDP does not include any costings for planned initiatives, nor does it present any resource mobilization strategies. Although the Government's move towards medium-term planning and expenditure frameworks should improve implementation and the costing of commitments in the SDP (and thereby the SDGs over the medium term), this will be a long-term process and significant support will be required. The DFA to investigate the current financing landscape and identify how to strengthen financing of the SDP and the SDGs was a crucial first step. However, significant support will be required to help the Government implement the recommendations of the assessment.

One of the key recommendations of the DFA is for the country to develop an integrated financing strategy. This would involve estimating the scale of investments required in public and private financing and form a basis for targets to mobilize resources for the SDP. It could also provide guidance to improve alignment between budgets, policies and the SDP objectives. The strategy could act as a bridge between the SDP and short- and medium-term financing policies. Importantly, Timor-Leste has volunteered to be part of the Integrated National Financing Frameworks initiative and has requested support from the UN and the European Union in planning how the SDP will be financed and implemented. The framework will help Timor-Leste assess the status of its finances, identify gaps, align financing and develop new financing strategies to accelerate progress on the SDGs. This framework would play an important role in harnessing much-needed attention on the status of development financing in Timor-Leste.



## 8. ANALYSIS OF RISKS

This section focuses on the main risks that could prevent Timor-Leste from achieving the SDGs. While the risks facing the country are multidimensional in nature, using the terminology from the SDG Risk Framework there are six main clusters of risks that could have significant impacts on Timor-Leste's path to the 2030 Agenda. These are highly interconnected and include specific risks linked to 1) political security; 2) economic security; 3) social cohesion and gender equality; 4) food security, agriculture and land; 5) justice and rule of law; and 6) demographic pressure. There is a danger of multiple risks emerging, which could lead to a much larger set of issues to deal with. Some of these risks are beyond the control of the UN system; however, it is vital that the UN continues discussing with the Government and development partners key reforms and initiatives to manage and mitigate these economic, political and environmental risks.

	Likelihood	Impact
Political security	High	Medium
Economic security	Medium	High
Social cohesion and gender equality	Medium	Medium
Food security, agriculture and land	Medium	High
Access to justice and rule of law	Medium	Low
Demographic pressure	Low	High

### 8.1. Political security (high probability/medium impact)

**While Timor-Leste's leadership has achieved remarkable gains in building democratic institutions and securing peaceful transfer of power, the political deadlock since 2018 highlights the risks of a political impasse affecting the country's growth and stability.**

Political polarization and volatile relationships between the country's historic leaders still shape day-to-day politics. Regular open dialogue with the opposition on economic development policies, particularly on use of petroleum and liquefied natural gas resources, is lacking. President Lú-Olo recently vetoed the proposed state budget, owing to, among other things, significant imbalance between foreign asset acquisition and investment in social capital such as health and education.<sup>499</sup>

**This is already affecting policy development and service delivery, and arguably also contributing to unpredictability and slowing economic growth.** If political instability continues in the next few years, it could affect not only immediate growth prospects but

also longer-term stability. In the medium term, if the Great Sunrise/Tasi Mane development turns out to be a fiscal burden, this could ignite conflict among political rivals. Although the 2018 parliamentary elections were held without violence, and the political impasse over the state budget has not led to unrest, this may not be the case in the future. If this pattern of political instability continues, alongside inertia in public institutions, the public's continued support for and trust in elected officials may start to wane. This could result in civil strife at national level. This could threaten progress and leadership shown on SDG 16 as well as slowing down efforts on other SDGs that require acceleration.

## 8.2. Economic security (medium probability/high impact)

**While the Petroleum Fund has been a remarkable resource and cushion for the Timorese economy, reliance on oil makes the country vulnerable to changes in global oil prices and makes it highly vulnerable when petroleum receipts start to run dry.** Petroleum revenue made up 81% of all domestic revenues in 2016, followed by revenue from taxes (13%) and non-tax revenue (6%).<sup>500</sup> Public expenditure in Timor-Leste is financed largely by petroleum fund assets. Although petroleum receipts have contributed to significant growth in the past, they have been falling since their peak in 2012, as a result of the producing fields going into decline and a drop in international oil prices. Current estimates suggest that petroleum reserves from existing fields will run out by 2022/23, although some industry experts expect this as early as mid-2020.<sup>501</sup> The potential of the Greater Sunrise/Tasi Mane oil and gas field is still uncertain and it may take seven to nine years to start production.<sup>502</sup> This assumes that construction of the deep-sea pipeline goes according to plan.

Global liquefied natural gas prices are currently at their lowest level in over a decade, and the market today is very different from when Timor-Leste started developing the Bayu-Undan field, when prices were rising and reaching unprecedented levels.<sup>503</sup> Given current financing flows, future state budgets would be relying almost exclusively on the success of Greater Sunrise. This is a significant gamble, and how this plays out, alongside global oil demand and prices, is likely to affect the country's politics and overall stability.

**This scenario of the assets of the Petroleum Fund running out over the next 10–15 years needs to be considered a significant economic risk.** Although the Petroleum Fund had assets worth around US\$16 billion in 2016,<sup>504</sup> withdrawals in excess of the ESI have been made repeatedly over the past few years. If there is continued use of the Petroleum Fund



to support development of Greater Sunrise (which is a risky initiative), and investments are not productive, the assets may be depleted over the next 10–15 years.

**The ability of Timor-Leste to diversify its economy to generate sufficient economic growth to continue financing public services and cash transfers for vulnerable groups is therefore reliant on establishing a source of revenue outside the petroleum sector.**

However, given the nascent state of the private sector, low foreign direct investment, a tiny manufacturing sector and low levels of productivity in agriculture (where most Timorese are employed), the country is struggling to generate tax revenue, diversify its economy, create jobs and drive new engines of growth.

**Based on the current trajectory and the potential depletion of petroleum resources, ramifications may be severe, and could spill over into the political and social domains (see next section).**

While the country has done well to get where it is now, there is a strong risk that, if economic analysis and investment decisions continue in the same vein as before, this could lead to economic paralysis. Crucial progress made on SDGs 8 and 1 will start to reverse. Critically, political and economic stability will depend on how the country manages its oil wealth, trends in global oil demand and prices and whether significant efforts are made to diversify the economy and invest in education and skills-building by 2030.

### **8.3. Social cohesion and gender equality (medium probability, medium impact)**

**While the Government's prioritization of social transfers to veterans as a means of securing and maintaining peace was understandable in the political context, this approach may not be socially or financially sustainable in the long term.** The key risk factor is that veterans only make up 1% of the population. In 2011, Timor-Leste spent 60% of the total social assistance budget on veterans.<sup>505</sup> In addition, 12% and 15% of GDP is allocated to social programmes and veteran payments. While social assistance to veterans has proved vital in promoting social cohesion to date, time has passed, and citizens are now concerned about jobs and education. They may resent veterans and their families who do not need to work. Meanwhile, Bolsa de Mãe is 10 times lower than the veterans' pension while reaching double the number of individuals. It is also seen as too small to make a substantive impact.<sup>506</sup> With petroleum receipts falling, the level of funding to social assistance is no longer fiscally sustainable, yet vulnerable groups are not still able to access adequate assistance. Marginalized communities, and disenfranchised veterans who no longer benefit from the oil windfall, could pose a serious challenge to the stability of the country's institutions and social fabric. Youth have a crucial role in maintaining peace and political stability, but, if they are not given space to participate politically, and do not start to see tangible benefits from the Petroleum Fund, they may resent the growing inequalities between veterans' families, the political elite and non-veterans.

**There is a moderate risk over the medium term that, if social transfers are fiscally unsustainable, progress made on education and maternal and infant mortality, and modest gains in nutrition and water and sanitation, may start to slide. The country may fall behind on other SDGs where progress is already lagging.** Rather than expanding programmes such as Bolsa de Mãe and disability benefits, which have significant scope to improve household welfare, there is a moderate risk that funding for these programmes and social services will be forced to contract. Furthermore, vulnerable groups such as young women and those with disabilities may be pushed into poverty and many households that have managed to improve their living standards in the past 10 years may find themselves back in poverty and unemployment.

**Violence against women and girls remains one of the most widespread human rights abuses in Timor-Leste, and inter-generational cycles of violence restrict progress on Agenda 2030. This challenges the notion that the country is free from violence.**

Discrimination and gender inequality are at the root of violence against women. The widespread exposure of children in Timor-Leste to violence against their mothers requires dedicated attention, to break the inter-generational cycle of violence against women and girls. Physical violence perpetrated by teachers against students appears to be widespread and physical punishment is widely accepted in schools and at home.<sup>507</sup> While the Government has taken several measures to ensure social cohesion, this has not necessarily translated into the protection of marginalized or vulnerable groups such as women and children, and domestic violence is still widely accepted. Although the country is at peace, tolerance of violence against women among both men and women, and of the use of force by the police and army and of violence in the home and at school, is driving the inter-generational influence of social norms. This is a moderate threat to the maintenance of peace and social cohesion. The perpetuation of gender inequality, manifested by high levels of gender violence, is a significant current threat to progress on nearly all SDGs, especially SDGs 2, 4 and 8, and is likely to play a significant role in preventing achievement of Agenda 2030.

#### **8.4. Food security, agriculture and land (medium probability, high impact)**

**With 90% of the land in Timor-Leste governed by customary land tenure systems and not formally registered,<sup>508</sup> an increase in land disputes and dispossessions has moderate potential to significantly threaten security and stability in the country over the long term.<sup>509</sup>** A total of 10% of land is under dispute, and land disputes are known to have contributed to the 2006 crisis.<sup>510</sup> This highlights the pressing nature of land rights in Timor-Leste. With over 70% of the population dependent on land for their livelihood,<sup>511</sup> but only a quarter of the population considered food-secure,<sup>512</sup> access to land is vital to people's welfare. However, only 40% of the land is suitable for crops and/or livestock and only about 80% of this arable land is currently being used.<sup>513</sup> Crucially, women have lower ownership of land and challenges exist in ensuring land ownership rights for women. While women (and young women) play a critical role in nutrition and food security, gender



inequality is an important underlying cause of malnutrition in Timor-Leste.<sup>514</sup> With alarming levels of stunting among children under five, and Timor-Leste's situation classified on the Global Hunger Index 2018<sup>515</sup> as "serious" and bordering on "alarming", food insecurity and land disputes have the potential to be destabilizing factors if efforts to achieve food security and promote food system-based livelihoods are not strengthened.

The impact of worsening food security and land disputes will, over the short to medium term, affect economic growth and job creation (SDG 8). This is a result of the importance of agriculture and land rights to the economy and the impact on the confidence needed for investment. The interconnected drivers of food security and malnutrition mean that worsening food security is likely to have a significant long-term impact on efforts to reduce stunting (SDG 2) and thereby improve learning outcomes and productivity (SDGs 4, 8 and 9).

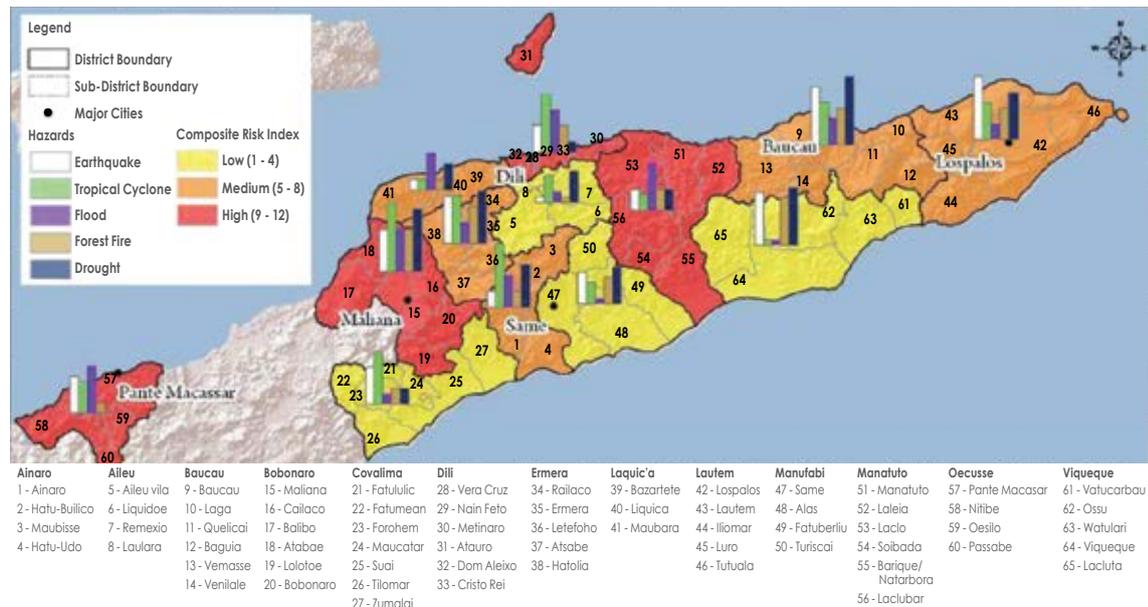
**Timor-Leste is one of the most disaster-prone countries on earth, and weak preparedness and coping capacity pose a significant long-term risk to livelihoods and food security and maintaining gains made in sustainable development.** Despite the risk that climate change brings to Timor-Leste, the issue is not high on the political agenda. While there is recognition of the serious threat of climate change and disaster risks, and key policy documents exist, this has not translated into real public or political debate about what the country produces and consumes and what the Government and society should do to mitigate the effects.

**The country ranks 15th among countries at highest disaster risk<sup>516</sup> and the 2013 National Risk Assessment and Mapping<sup>517</sup> highlighted its exposure, vulnerability and risk with regard to floods, cyclones, droughts, forest fires and earthquakes** (see Figure 11). An increase in extreme rainfall events is predicted, which is likely to lead to an increase in flooding over the long term – already the type of disaster affecting the highest number of people.<sup>518</sup> A potential increase in the frequency and/or severity of agricultural or hydrological droughts could have a significant impact in the long term, particularly in a country where more than 70% of the population relies on climate-sensitive, rainfed agriculture as a main source of livelihood.<sup>519</sup>

The latest available World Risk Index shows that, while exposure to natural hazards is comparably low, it is the country's vulnerability and lack of coping capacity that are the main driving factors of disaster risk in Timor-Leste<sup>520</sup> (see Figure 11). It is this lack of disaster preparedness that is highly likely to spill over to other sectors and significantly reduce progress on other SDGs, in particular SDGs 2, 3, 4 and 8. Timor-Leste's disaster risk management system is focused primarily on relief and response, with insufficient attention to disaster preparedness, response and mitigation.<sup>521</sup> In addition, no multi-hazard early warning system exists at the national level. Nearly all public infrastructure is considered prone to disaster impacts, including schools, health and sanitation facilities, water and energy provision, and roads and bridges. Schools often do not have reliable water and electricity supply and are in weak buildings. This makes it difficult to use them as emergency shelters and may lead to disruption to education during and following disasters. It could also hinder the provision of health services when they are most

needed. Roads and bridges are often rendered impassable by events such as floods and landslides, or destroyed by erosion.<sup>522</sup> The lack of disaster-resilient public infrastructure has economic and social implications during both “normal” and disaster situations and, very importantly, poses significant challenges to disaster response. This is likely to affect already vulnerable groups living in mountainous and rural areas, heighten health inequalities and further exacerbate the exclusion of disabled persons. This could lead to increases in health issues, unemployment and food insecurity as people are unable to travel to work, health clinics and the market. Public infrastructure is already under strain and underfunded. It is highly likely that a disaster will place enormous pressures on services, exacerbate existing inequalities and reverse progress made on nearly all SDGs.

Figure 11: Multi-hazard risk in Timor-Leste



Source: GoTL and UNDP (2013)

### 8.5. Justice and rule of law (medium probability, low impact)

The issue of corruption and a weak justice sector presents a low but moderate threat to private sector growth, economic development and social cohesion over the medium to long term. Despite the country's leadership, progress in terms of building the justice sector from scratch and political interventions in the justice system, corruption and bribery remain prevalent in Timor-Leste: 80% of firms that participated in the World Bank Enterprise Survey in Timor-Leste reported expecting to give gifts to secure a government contract, demonstrating the normalization of corruption.<sup>523</sup> Despite political will, the Anti-Corruption Commission currently does not have the capacity to tackle large-scale corruption in Timor-Leste's public sector and the issue is becoming increasingly sensitive. Corruption,



along with perplexing and overlapping land and property titles, an ineffective judicial system and the high cost of doing business, will most likely reduce the likelihood of foreign direct investment and hamper efforts to promote much-needed private sector growth and economic diversification. Furthermore, weak access to justice, particularly for survivors of gender-based violence, may lead to people and communities being left behind and undo crucial progress on the SDGs, particularly SDGs 5 and 16. Gender-based violence has a significant impact on SDGs 2, 4 and 8 in particular, and it is not possible to accelerate progress on Agenda 2030 without reducing the gender inequality that drives it.

## 8.6. Demographic pressure

An important variable that is likely to affect progress on all SDGs is the risk of demographic pressure if fertility rates do not continue to decline rapidly. Although Timor-Leste has experienced a rapid fertility decline since the early 2000s, and the TFR is projected to decline further, it is important to consider the risk if this does not happen. It is possible that birth rates may not be falling as rapidly as they were up to the middle of the decade, and that fertility is stable or even increasing slightly. Projections for 2050 range from 3.0 live births per woman in the high fertility scenario to 2.0 live births in the low fertility scenario.<sup>524</sup> The decline in fertility since 2002 is attributed to reproductive patterns shifting to smaller family sizes. This has likely been supported by broader access to reproductive health services and modern contraceptives, as well as a decline in infant mortality and falling poverty rates. For fertility rates to continue declining rapidly, access to reproductive health services and modern contraceptives needs to increase substantially, alongside continued reductions in poverty and infant mortality.

Regardless of the population projection, 74% of the Timorese population is under the age of 35 and 39% is below the age of 15,<sup>525</sup> and large numbers of youth will enter the working-age population in years to come. In all projection scenarios, the labour force (defined as aged between 15 and 64) is expected to grow by almost 275,000 (Table A1 in the Annex) until 2030. This will put enormous pressure on both the education system and the labour market. Without a steady decline in fertility rates, Timor-Leste will increasingly face the double burden of an underproductive labour force and a large child population requiring resources for health and development. Without the creation of additional jobs, increased unemployment, underemployment and economic inactivity could easily become a serious problem. This could affect social cohesion, economic growth, education and political stability (as outlined above). The 2020 Census and evidence from the next DHS will determine whether fertility continues to decline, supported by statistics on modern contraception rate prevalence rates and desired family size from the DHS. The UN system has a key role to play in supporting analysis of this data, assessment of the likely risks and promoting access to reproductive health education and modern contraception.





## 9. ANALYSIS OF VULNERABILITY – LEAVE NO ONE BEHIND

**Leaving no one behind is a critical challenge facing Timor-Leste. As it strives to achieve upper-middle-income status by 2030, for the inclusion of vulnerable groups it is vital that drivers of exclusion are systematically addressed.** The CCA process identified the following groups as most at risk or already being left behind: children, youth, women and girls, persons with disabilities and households in rural areas.

### 9.1. Children

**Children in Timor-Leste are particularly vulnerable and at risk of facing lifelong deprivations if rapid progress on the SDGs, particularly SDG 2, does not take place.**

Around half of children aged 0–14 years in Timor-Leste live below the national poverty line, with children under five from the poorest households twice as likely to die as children from the richest households. More than half (58%) of all children under five were stunted in 2009/10<sup>526</sup> and only 13% of children aged 6–23 months receive the minimum acceptable diet.<sup>527</sup> This means that more than half of Timorese children are experiencing growth retardation as a result of chronic under-nutrition. The evidence on stunting reveals that even children from richer households with fewer food access problems experience relatively high levels of stunting. In 2016, 36% of children in households from the highest income quintile were stunted; this is very high. Evidence shows that malnutrition may drive a vicious cycle of poor health, retarded cognitive and physical development and low performance of school and work, as well as low economic productivity and poverty.<sup>528</sup> Child deprivations in learning are evident and demonstrate the tangible impact of being left behind without quality education. The 2017 EGRA revealed that 85.6% of students in their first year of school and 61.1% in their second year could not read a simple sentence.<sup>529</sup>

**Children are also very likely to experience violence at school, in the community and at home. This affects their physical and mental health in the short and longer term, impairing their ability to learn and socialize and affecting their transition to adulthood, with adverse consequences later in life.** Children are also very likely to experience violence at school and home, with impacts on not only their education but also their well-being and risk of being in abusive adult relationships. In small-scale UNICEF study,<sup>530</sup> 75% of boys and 67% of girls reported experiencing physical violence by a

teacher at school in the previous 12 months, including being hit (with hand or object), slapped, kicked, pinched or pulled. Furthermore, global evidence demonstrates that girls and boys who are exposed to intimate partner violence are more likely to be involved in abusive adult relationships and use harsh parenting against their own children.<sup>531</sup>

## 9.2. Youth

**Youth are key drivers of sustainable development and yet they are a very vulnerable group that is already being left behind as the economy grows.** The majority of the Timorese population is made up of youth, with three quarters of its population (74%) under the age of 35 and 39% below the age of 15.<sup>532</sup> The unemployment rate of young people is concerning: in 2013, 21.9% of youth aged 15–24 were unemployed and 30% of youth with disabilities.<sup>533</sup> Furthermore, one in five youth aged 15–24 is NEET. Although 94% of youth 15–24 years in urban areas report basic levels of reading and writing, this reduces to 78.5% in rural areas.<sup>534</sup>

**Early marriage, pregnancy and sexual violence are important factors increasing the vulnerability of young women.** The median age of marriage is 21.7, and 35% of women aged 20–49 marry when they are teenagers. The levels of illiteracy among young women aged 15–19 who have given birth are significantly higher (29.3%) than among those who have never given birth (13.1%).<sup>535</sup> Sexual violence against girls is also very high, with 24.4% of women (aged 15–49) experiencing sexual violence by age 18<sup>536</sup> and 31% in the past 12 months. While little data exist on violence against the LGBTI community, in qualitative research 87% of respondents had faced harassment and violence owing to their sexual and gender orientation.<sup>537</sup> When looking at groups of young women, 42% of female farmers between the ages of 15–24 have at least one child versus only 12% of non-farmers, highlighting the vulnerability of young rural women. Young women in agriculture are also significantly more disadvantaged in terms of education: 29.8% of female farmers have no formal education compared with 7.8% for young non-farming females.<sup>538</sup>



### 9.3. Persons with disabilities

**Persons with disabilities are already being left behind in the data, owing to underreporting and significant lack of disaggregated data.**<sup>539</sup> However, the data that do exist highlight that children with disabilities are already being left behind and face significant disadvantages accessing health services and education systems. Only 33% of young women with disabilities (5–24 years) attend school in comparison with young women without disabilities (71.2%). Furthermore, 54.7% of young women with disabilities have never gone to school, whereas for young women without disabilities this is only 13.6%.<sup>540</sup> Meanwhile, only 15.3% of persons with disabilities can read and write in any of the four working languages in the country.<sup>541</sup>

**The long-term impact of the education deprivation facing children with disabilities is powerfully demonstrated by their low levels of economic activity and literacy as youth.** Despite massive gains in literacy in Timor-Leste in the past 20 years, young women (aged 20–24) with disabilities have significantly lower literacy rates (21.9%) than young women without disabilities (81.8%).<sup>542</sup> This highlights powerfully that children with disabilities have not followed the positive development trajectory of the country. Persons with a disability are five times more likely to be unemployed than those with no disability. Although the Government has not yet ratified the Convention on the Rights of Persons with Disabilities, the 2017 Inclusive Education Policy is evidence of significant political will to address the rights of persons with disabilities, despite the enormous challenge ahead.

### 9.4. Women and young girls

**Compared with other segments of society, women and young girls are most likely to be subjected to violence, be unemployed and live in poverty.** Groups of women and girls at risk of marginalization include those with disabilities (who have a higher risk of experiencing violence), those who have lower literacy and educational attainment and those living in rural areas. Driven by gender inequality, violence against women and girls remains one of the key deprivations in Timor-Leste: almost 60% of Timorese women (15–49 years) report having experienced physical and/or sexual violence by an intimate partner in their lifetime. Poverty is a contributing risk factor: 38% of women in the lowest wealth quintile have experienced physical violence compared with 17% in the highest wealth quintile. In relation to child marriage, teenage mothers (aged 15–19 years) are more likely to die of pregnancy- and delivery-related causes than mothers aged 20–24 years (1,037 vs. 534 per 100,000). Despite this risk, young female farmers, in particular, give birth before the age of 20, compared with other young women (42% versus 16%). Completion of secondary education and wealth are also key factors in delaying marriage two to three years later than for those with lower levels of these.<sup>543</sup>

## 9.5. Households in rural areas

**Rural areas in hard-to-access, remote, mountainous regions away from urban centres are at risk of being left further behind.** While just around a quarter of urban households live below the national poverty line, nearly every other household in rural areas can be classified as poor, and the rate of poverty reduction is much slower in rural than in urban areas. This is highly significant, as more than 70% of households are situated in rural areas.<sup>544</sup> Women, children, young and elderly people, and persons with disabilities living in rural areas of Timor-Leste are most likely to be excluded and deprived of opportunities and services. Poor rural road networks, coupled with poor road conditions and lack of transport, are of serious concern for the rural population, since a substantial proportion of roads become inaccessible for significant periods of the year. Low population density in rural areas and geographical factors make it difficult for the Government to reach everyone with services and infrastructure.





# 10. GAPS AND CHALLENGES TOWARDS ACHIEVING THE 2030 AGENDA

There are several key bottlenecks to Timor-Leste maintaining important progress that has been made. The trajectory towards achieving the 2030 Agenda is likely to be very uneven unless the country and the international community can tackle key challenges in areas where progress is lagging. Agenda 2030 is powerful in its realization of the interconnectivity of the SDGs. However, it is strong only if cross-sectoral programmes and interventions are established to address these interconnected bottlenecks. This section therefore does not list specific gaps under each SDG but identifies some of the overarching obstacles that may hold the country back in achieving Agenda 2030. These include **availability and analysis of accurate and timely disaggregated data; technical and institutional capacity and sector financing; inter-sectoral coordination and policy coherence; institutionalization and monitoring of the SDGs and Agenda 2030; and partnerships and social movements on Agenda 2030.**

## 10.1. Availability and analysis of accurate and timely disaggregated data

**The absence of reliable and regular disaggregated data in all national surveys and government administrative data (collected by ministries) is a key blockage to evidence-based policy-making and future projections necessary for government planning.** While improvements in gender disaggregation have taken place in national surveys, there is a lack of systematic disaggregation, and subsequent analysis, of data by income, sex, age, migratory status, disability, social grouping and geographic location. Furthermore, the most reliable data, from the Census and the DHS, are available only every four to six years, and even these surveys have some data quality issues in certain areas. Other surveys with crucial economic data, such as the Labour Force Survey, are out of date (2013). Administrative data collected by ministries (e.g. HMIS, EMIS and justice sector data) are often collected manually and is not publicly available. MoEYS is currently reforming the way it manages and uses data and it is this type of reform that is needed across ministries.

Without accurate data collection and analysis on vulnerable groups (in particular persons with disabilities), the Government and development partners will be allocating resources and designing and evaluating interventions in the dark. Data are vital for tracking and reporting on progress and gaps on the SDGs and understanding the systemic drivers of exclusion. They are also vital to provide civil society and oversight bodies with the tools to

improve accountability for delivering on Agenda 2030. For many of the SDG indicators, such as those under SDGs 12, 14 and 15, data are non-existent or poor quality (e.g. on learning outcomes and water quality). This represents a critical bottleneck in designing programmes based on evidence-based analysis. The statistical Annex in the 2019 VNR is a positive initiative to improve publicly available data on the SDGs. However, without substantive improvements in the ability to generate and use data by each sectoral ministry as well as GDS it will be very difficult for the government to nationalize the SDG indicators and track progress (see next section).

## 10.2. Technical and institutional capacity and sector financing

**Limited sector budgets and lack of technical and institutional capacity among sector ministries to manage reforms needed to accelerate progress on the SDGs are some of the key blockages facing the country.** These blockages are interconnected. While many ministries are in need of additional resources to fund their action plans or strategies, they also have weak institutional and absorptive capacity to cope with extra funding, execute the budget and effectively monitor such resources. While political will and understanding of the severity of many of the issues facing the country exist, the administrative capacity of civil servants and institutional mechanisms to deliver and monitor complex reforms, strategies and laws can be quite limited.

While the data gaps are clearly recognized in Timor-Leste (as mentioned above), the technical ability in ministries, government bodies and offices to plan and allocate medium-term resources for data collection to monitor data is still weak. For example, despite significant data gaps on SDG 6, the latest DHS did not include a water quality module, and the Ministry of Public Works currently does not have the capacity to perform representative water testing. It is therefore very difficult for the Government to monitor its progress on SDG 6 without being able to ascertain water quality. In education, for example, although improving the quality of education is number one priority for MoEYS, national capacity and systems to measure learning outcomes, including classroom and national assessments and internationally comparable learning assessments, are limited. Although EGRAs have taken place, the institutional capacity and technical skills required to carry out learning assessments are still far from being adequate.



A strategic review of SDG 2 conducted in 2017<sup>545</sup> found that human resource capacity and “efforts to alleviate food insecurity and malnutrition in all its forms are hampered by a shortage, not just in sheer numbers, but also in the skills, leadership, and institutional capacity of the nutrition workforce.” Of the 2,196 employees<sup>546</sup> in MAF, less than a quarter (around 18%) hold an undergraduate degree and only 1% have a postgraduate degree; the majority of employees have graduated only from secondary school and often do not have the necessary skillset to work in multi-sectoral teams.<sup>547</sup> In relation to SDG 3, despite notable improvements, substantial capacity gaps still exist in managing health reforms at all levels (from municipal level to hospitals and MoH). The Government requires substantial support to rapidly develop the required managerial and technical expertise to implement and monitor key reforms and interventions. These examples of capacity constraints from sector ministries could apply to nearly all ministries. Although improving human resource capacity in Timor-Leste has been a focus of the Government since the restoration of independence, institutional blockages still exist, highlighting the institutional challenges facing SDG implementation. These issues are compounded at lower levels of Government, which are further constrained by limited budgets and a lack of strategic planning, coordination and finance capacity. As the country decentralizes its public administration, the capacity of subnational authorities will become apparent and require significant support.

**While financial constraints are not the sole driver of capacity bottlenecks and delayed implementation, limited budgets and weak budget execution certainly play in key role in sector ministries.** From 2008 to 2013, 57% of total government expenditure was utilized to develop the electricity sector.<sup>548</sup> The Tasi Mane project as well as roads and bridges will take up more than 80% of the Infrastructure Fund budget during 2019–2023. However, there is no significant allocation for water and sanitation, and infrastructure investments in health and education are also limited.<sup>549</sup> In total, MoH and MAF combined accounted for just 4.4% of the 2017 national budget, while nutrition services accounted for just 1% of the total 2017 Health Budget.<sup>550</sup> The MAF ratio of the state budget has reduced over time, from 3.9% in 2008 to 1.1% in 2016.<sup>551</sup> A 2017 review of Timor-Leste's progress and success in achieving SDG 2 recommended that Timor-Leste increase national investments in nutrition and agriculture programming to a minimum of 5% of GDP.<sup>552</sup> In relation to SDG 5 and gender equality, in 2016 only around 2% of the state budget was dedicated to implementing gender equality commitments as evidenced by the Secretary of State for the Promotion of Equality and Inclusion's (SEII's) low annual budget (e.g. a 2019 budget is US\$1.8 million, covering 70 personnel, including 12 municipal focal points).<sup>553</sup>

### 10.3. Inter-sectoral coordination and policy coherence

Despite the striking cross-sectoral linkages that exist between the SDGs, inter-sectoral coordination remains very weak across several areas. Several important coordination mechanisms exist but often the functioning of these is poor, and they have a weak legal basis; individual members often have poor understanding of their role in improving multi-

sectoral action. For example, in relation to SDG 2, the cross-ministerial governance mechanism on food security and nutrition, KONSSANTIL, has a crucial role to play in improving the inter-sectoral response to malnutrition and food insecurity but it needs a stronger legal basis to officially track progress and to make strategic recommendations. Given the complex drivers of malnutrition, policy coherence is a key component in delivering a comprehensive response to stunting (involving health, agriculture, gender equality, education). While the mechanism exists, it needs the mandate and capacity to develop and review the forthcoming multi-sector results framework and monitor the nutrition tag to track public expenditure across sectors. According to a 2019 study, lack of effective coordination of, and cooperation between, stakeholders (including government ministries and donors) is partially responsible for slow progress on SDG 2 and highlights the centrality of coordination to delivering on the SDGs.<sup>554</sup>

In relation to SDG 5, progress on gender equality and ending violence against women and girls has been hampered by lack of a holistic approach and coordination between key institutions and groups. It has also been restricted by poorly coordinated donor investments across sectors. Gender equality and violence against women and girls cut across all SDGs and sectors. It is only by strengthening coherence of government and donor programmes across sectors that sustained progress be achieved. For example, while an overarching Gender Equality Coordination Group exists (co-chaired by SEII and UN Women), bringing together government gender focal points, development partners and civil society to discuss and coordinate gender equality priorities and share information, this meets only twice a year and its functioning needs to be improved. As the country moves to decentralize its public administration, the role of subnational coordination mechanisms, which are even weaker, will become even more vital.

One of the most important areas for inter-sectoral coordination and policy coherence is disaster risk management and preparedness. However, crucially, this is where coordination is weakest. In the event of a public health emergency or a disaster, coordination among different sectors (education, infrastructure, health, water and sanitation) is vital, but the absence of inter-sectoral planning for disaster preparedness and prevention highlights a critical bottleneck in coping with disasters and emergencies. Given the high possibility of health emergencies or floods spilling over into the education, water and sanitation, nutrition and agriculture sectors, lack of coordination will likely exacerbate any disaster and lead to further bottlenecks in maintaining progress in key sectors.

#### **10.4. Institutionalization and monitoring of the SDGs and Agenda 2030**

Despite establishment of the SDG Working Group and production of the SDG Roadmap and the 2019 VNR, there is still no institutional home for the SDGs with a senior member of Government leading on Agenda 2030. The UPMA, in the Prime Minister's Office, led production of the SDG Roadmap and the VNR and is the unit responsible for monitoring



the SDP. It is also anticipated that UPMA will oversee alignment of the SDP with the SDG indicators. However, its official role in ensuring implementation of the SDGs and making recommendations to improve delivery is not clear.

The SDG Working Group (with dedicated senior representatives from ministries, academia, civil society, the private sector and youth, women and disabled groups) played a vital role in the 2019 VNR process. However, it does not have an officially recognized role in overseeing progress on the SDGs beyond the 2019 VNR process. The SDG Working Group has not met since the VNR process and the opportunity to build momentum from this may have been lost. The absence of a designated ministry or unit responsible for the SDGs is a key bottleneck in monitoring the SDGs and ensuring policy coherence, inter-sectoral coordination and adequate financing (outlined above). It also prevents wider consultation with a diverse group of stakeholders to ensure different perspectives on implementation of the SDGs are heard. While Timor-Leste has been vocal in its support of the 2030 Agenda and the 2019 VNR process demonstrated the Government's commitment to the SDGs, the key challenge facing the country lies in ensuring that implementation of the SDGs occurs in a regular, coordinated and transparent way. In order to address the crucial linkages between the SDGs and sectors, strong leadership and oversight of government programmes, budgets and indicators across different ministries and government bodies as they align with the SDGs are required.





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# GLOSSARY <sup>555</sup>

**Adult literacy rate:** The percentage of people aged 15 and above who can both read and write, with understanding, a short simple statement on their everyday life

**Basic vaccination coverage:** Percentage of children aged 12–23 months who received specific vaccines at any time before the survey, according to personal vaccination records (LISIO or a vaccination card) or the mother's recall. To have received all basic vaccinations, a child must receive at least:

- One dose of BCG vaccine, which protects against tuberculosis
- Three doses of DPT vaccine, which protects against diphtheria, pertussis (whooping cough) and tetanus
- Three doses of polio vaccine
- One dose of measles vaccine

**Child mortality:** The probability of dying between the first and fifth birthday

**Clean energy for cooking:** Electricity and cooking gas are classified as clean energy sources for cooking

**Clean energy for lighting:** Electricity and solar panels are classified as clean energy sources for lighting

**Dependency ratio:** The ratio of the economically dependent part of the population to the productive part, defined as the ratio of the elderly (aged 60 and older) plus the young (under age 15) to the population of working age (aged 15–59)

**Disability rate:** Portion of the population with a disability.<sup>556</sup> Where a person experiences more than one disability, the main disability is the most severe disability

**Dropout rate:** The proportion of students in primary, pre-secondary and secondary school who drop out from school, expressed as a percentage

**Emotional spousal violence:** Behaviour between spouses that is harmful to one such as saying or doing something to humiliate a spouse in front of others; threatening to hurt or harm a spouse or someone close to them; insults or manipulation to reduce self-esteem

**Employment rate:** The proportion of Timor-Leste's working-age population (15–64 years of age) that is employed, expressed as a percentage

**Gender Parity Index (GPI):** The ratio of female to male values of a given indicator. The GPI is used to indicate the disparity between school attendance of males and females. A GPI equal to 1 indicates a full parity in favour of boys, and a value greater than 1 indicates a disparity in favour of girls

**Gross attendance ratio:** The total number of students attending a level of education, regardless of age, expressed as a percentage of the total official school age population

**Gross enrolment rate in primary school:** The population enrolled in primary school, regardless of age, divided by the population of the age group that officially corresponds to primary school level (6–11 years of age), expressed as a percentage

**Gross enrolment rate in secondary school:** The population enrolled in secondary school, regardless of age, divided by the population of the age group that officially corresponds to secondary school level (16–18 years of age), expressed as a percentage

**Household size:** The average number of persons occupying housing units in a defined administrative area

**Improved safe sources of drinking water:** Water piped into the dwelling or yard of the dwelling constitutes a safe source. Improved sources comprise public taps or standpipes, tube wells or boreholes, protected dug wells, protected springs and rainwater collection

**Improved sanitation facilities:** Improved sanitation facilities comprise flushing/pouring into a piped sewer system, tank or pit; a Ventilated Improved Pit latrine; or a pit latrine with a slab

**Infant mortality:** The probability of dying between birth and the first birthday

**Labour force participation rate:** The proportion of Timor-Leste's working-age population (15–64 years) that engages actively in the labour market, either by working or looking for work, expressed as a percentage

**Maternal mortality rate:** The number of maternal deaths per 100,000 live births

**Median age:** The age that divides the population into two numerically equal groups; that is, half the people are younger than this age and half are older

**Neonatal mortality rate:** The probability of dying within the first month of life



**Net attendance ratio:** The percentage of children attending the specified level of schooling appropriate for their age

**Net enrolment rate:** The number of children enrolled in primary school who belong to the age group that officially corresponds to primary, pre-secondary and secondary schooling, divided by the total population of the same age group

**Physical spousal violence:** Actions taken against a partner that hurt them physically or impede movement such as pushing, shaking, throwing, slapping, arm twisting, punching, hair-pulling, kicking, dragging, choking, burning, attacks with weapons, or any threat of the above

**Physical violence:** Percentage of women who have experienced any physical violence (committed by a husband or anyone else) since age 15 and in the 12 months before the survey.

**Population density:** Number of people per square kilometre

**Poverty Headcount Index:** The proportion of the total population below the poverty line

**Private household:** People who live together in the same compound and have common housekeeping and cooking arrangements (includes single-person households)

**Public services:** Include services (e.g. health and nutrition, education, water and sanitation, social housing, vocational training), environmental services (renewable clean energy and technology, use of natural resources) and other services (e.g. rule of law, justice etc.)

**School attendance:** Regular attendance at any accredited educational institution, programme, private or public, for organized learning at any level of education at the time of the Census or, if the Census is taken during the vacation period, in the prior year

**Sex ratio:** The number of males in the population per 100 females in the population

**Sexual spousal violence:** Actions against a spouse that harm them sexually such as physically forcing them into sexual intercourse; physically forcing them to perform any other sexual acts; forcing a spouse with threats to perform sexual acts

**Sexual violence:** Percentage of women who have experienced any sexual violence (committed by a husband or anyone else) ever and in the 12 months before the survey

**Spousal violence:** Percentage of women who have experienced any of the specified acts of physical, sexual or emotional violence committed by their current husband/partner (if currently married) or most recent husband/partner (if formerly married), ever and in the 12 months preceding the survey

**Stunting (assessed via height for age) of children under five:** Height-for-age is a measure of linear growth retardation and cumulative growth deficits. Children whose height-for-age Z-score is below -2 standard deviations from the median of the reference population are considered short for their age (stunted), or chronically undernourished. Children who are below 3 SD are considered severely stunted

**Total fertility rate:** The average number of children a woman would have by the end of her child-bearing years if she bore children at current age specific fertility rates. Age-specific fertility rates are calculated for the three years before the survey, based on detailed birth histories provided by women (15–49)

**Underweight (assessed via weight for age) of children under five:** Weight-for-age is a composite index of height for age and weight for height. It accounts for both acute and chronic under-nutrition. Children whose weight-for-age Z-score is below -2 standard deviations from the median of the reference population are classified as underweight. Children whose weight-for-age Z-score is below -3 SD from the median are considered severely underweight

**Under-five mortality rate:** The probability of dying between birth and the fifth birthday

**Young persons (youth):** Persons between age 15 and 24 years

**Youth literacy rate:** The percentage of population aged 15–24 years who are literate in Bahasa Indonesia, English, Tetum or Portuguese

**Wasting (assessed via weight for height) of children under five:** The weight-for-height index measures body mass in relation to body height or length and describes acute nutritional status. Children whose Z-score is below -2 standard deviations from the median of the reference population are considered thin (wasted), or acutely undernourished. Children whose weight-for-height Z-score is below -3 SD from the median of the reference population are considered severely wasted



# ANNEX: ADDITIONAL DATA

**Table A1: Population by broad age groups, high, medium and low fertility scenarios. 2015, 2030, 2050**

Year	Age group			Total
	0–14	15–64	65+	
<b>High fertility scenario</b>				
2015	484,582	656,137	59,660	1,200,379
2030	507,976	929,749	92,274	1,529,999
2050	607,882	1,286,216	154,413	2,048,511
<b>Medium fertility scenario</b>				
2015	484,582	656,137	59,660	1,200,379
2030	461,922	929,752	92,273	1,483,947
2050	488,255	1,211,853	154,412	1,854,520
<b>Low fertility scenario</b>				
2015	484,582	656,137	59,660	1,200,379
2030	415,789	929,756	92,270	1,437,815
2050	374,927	1,137,440	154,412	1,666,779

Source: GDS and UNFPA (2018)

**Table A2: Unemployment rates based on data from the Labour Force Survey and Census**

Year	Labour Force Survey	Census
2010	7.8%	9.5%
2013	11% (male 11.3%, female 10.4%)	
2015	4.8% (male 5.2%, female 4.2%)	

Source: Labour Force Survey 2010, 2013, 2015 (GDS, 2016) and Census 2010, 2015 (GDS, 2010, 2015)

Among others, the following resources were consulted:

- Voluntary National Reviews;
- Model-based population estimates with national population projections;
- Recommendations made to the country by UN human rights mechanisms categorized by SDG;
- A selection of UN and external data sources for CCA analysis;
- Official data from national statistical offices (e.g. data from census, standard national surveys, e.g. DHS, living standards surveys; sector-specific registry and administrative systems, etc.);
- MAPS missions and accompanying tools (e.g. rapid impact assessments);
- Qualitative data, situational analysis or targeted micro-surveys (e.g. compiled by academics, civil society, community groups or National Human Rights Institutions);
- The UNFPA Population Data Platform;

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# ENDNOTES

- <sup>1</sup> The Institute of Economics and Peace's 2019 Global Peace Index ranked Timor-Leste 48th of 170 countries measured.
- <sup>2</sup> EIU, 2018
- <sup>3</sup> Belun, 2017
- <sup>4</sup> UNDP, 2017, 2018a
- <sup>5</sup> CNE, 2017, 2018
- <sup>6</sup> IPU, 2018
- <sup>7</sup> In the absence of a state budget, the law allows monthly appropriations of 1/12th of the previous budget.
- <sup>8</sup> World Bank, 2018a
- <sup>9</sup> The Asia Foundation, 2016
- <sup>10</sup> The first elections at municipal level are planned for 2021 and 2022 in selected municipalities that pass minimum conditions.
- <sup>11</sup> At the moment, several decentralization laws are awaiting approval from Parliament.
- <sup>12</sup> Timor-Leste is a party to the International Covenant on Economic, Social and Cultural Rights, the International Covenant on Civil and Political Rights, the Convention on the Elimination of All Forms of Discrimination Against Women, the Convention Against Torture and Other Cruel, Inhumane or Degrading Treatment or Punishment, the Convention on the Rights of the Child, the Convention on the Elimination of All Forms of Racial Discrimination and the Convention on the Protection of the Rights of All Migrant Workers and Members of their Families.
- <sup>13</sup> Among others, the country is party to the Refugee Convention, the Rome Statute of the International Criminal Court and the Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children. Timor-Leste has stated its commitment to ratify the Convention on the Rights of Persons with Disabilities and has already ratified six fundamental International Labour Organization (ILO) Conventions. Timor-Leste is party to the UN Convention on the Rights of the Child but has not acceded to the ILO Convention Concerning the Minimum Age for Admission to Employment.
- <sup>14</sup> The Strategic Development Plan (SDP), the National Policy on Inclusion and Promotion of the Rights of Persons with Disabilities, the National Youth Policy, the National Action Plan for Women, Peace and Security, the Maubisse Declaration on the Rights of Rural Women and the National Policy on Inclusive Education.
- <sup>15</sup> Domestic violence and rape are public crimes requiring investigation in the formal justice system but in practice they continue to be addressed through customary justice. Hearings in the informal justice sector are normally conducted publicly, and some decisions taken by local elders (e.g. payment of minor sums of money as punishment for rape) may be questionable (see JSMP, 2019 for various case studies of both formal and informal justice).
- <sup>16</sup> MoF et al., 2014
- <sup>17</sup> GDS, 2015)
- <sup>18</sup> Ibid.
- <sup>19</sup> GDS et al., 2016
- <sup>20</sup> Low participation of women in the labour market, a high maternal mortality rate, pervasive gender-based violence, etc. See Section 2.3 on the social situation).
- <sup>21</sup> World Bank, 2016
- <sup>22</sup> UNICEF, 2018
- <sup>23</sup> GDS and MoF, 2014
- <sup>24</sup> OPHI, 2019
- <sup>25</sup> The Multidimensional Poverty Index differentiates between three dimensions of poverty: health, education and living standards, weighted equally. For each household, a deprivation score is constructed. A household deprived on more than a third of indicators is classified as 'multidimensionally poor'.
- <sup>26</sup> OPHI, 2019 (using DHS 2016 data)
- <sup>27</sup> The HDI is a summary measure of average achievement in key dimensions of human development: a long and healthy life, being knowledgeable and have a decent standard of living. The HDI is the geometric mean of normalized indices for each of the three dimensions. The health dimension is assessed by life expectancy at birth. The education dimension is measured by mean of years of schooling for adults aged 25 years and more and expected years of schooling for children of school entering age. The standard of living dimension is measured by gross national income per capita (UNDP, 2019a).
- <sup>28</sup> Ibid.
- <sup>29</sup> UNDP, 2019b
- <sup>30</sup> World Bank, 2014b
- <sup>31</sup> The Asia Foundation, 2016
- <sup>32</sup> GDS et al., 2018
- <sup>33</sup> Ibid.
- <sup>34</sup> This report is using anthropometric data from the DHS 2009/10 for the main stunting statistic as the 2016 DHS had some data quality issues. See SDG 2 for a detailed exploration of data issues regarding stunting statistics.
- <sup>35</sup> MoH, 2013
- <sup>36</sup> GDS et al., 2018
- <sup>37</sup> Ibid.
- <sup>38</sup> This is the point estimate generated by the Maternal Mortality Estimation Inter-Agency Group for 2015. It is lower than the 2015 Census result: the 2010 and 2015 Censuses estimate 426 deaths per 100,000 births for 2010–2015. It is higher than the value of 195 in the 2016 DHS. See SDG 3 for more analysis. Source: UNFPA, 2015
- <sup>39</sup> WHO, 2013
- <sup>40</sup> GoTL, 2010a
- <sup>41</sup> WHO, 2019
- <sup>42</sup> Ibid.
- <sup>43</sup> Fertility rates differ depending on what source is consulted. For

example, the TFR based on the 2015 Census is 4.5, while based on the 2016 DHS it is 4.2. The higher rates quoted are from the United Nations Population Division World Population Prospects.

- <sup>44</sup> GDS et al., 2015
- <sup>45</sup> Ibid.
- <sup>46</sup> GDS and UNFPA, 2018
- <sup>47</sup> GDS et al., 2015
- <sup>48</sup> World Bank, 2018b
- <sup>49</sup> Lee, 2018
- <sup>50</sup> Ibid.
- <sup>51</sup> GDS et al., 2015
- <sup>52</sup> Modern contraceptive methods: female or male sterilization, intrauterine device, pill, implants, injectable, male condom, diaphragm, lactational amenorrhea method and emergency contraception. Traditional contraceptive methods: include rhythm and withdrawal.
- <sup>53</sup> UNFPA, 2019
- <sup>54</sup> GoTL, 2018c
- <sup>55</sup> Calculations based on 2010 and 2015 Census data.
- <sup>56</sup> Ibid.
- <sup>57</sup> UN et al., 2018
- <sup>58</sup> World Bank, 2013
- <sup>59</sup> Nuno, 2019
- <sup>60</sup> MoF, 2000–2018
- <sup>61</sup> Ibid. The average between 2007 and 2012 was 6.9%.
- <sup>62</sup> Ibid.
- <sup>63</sup> World Bank, 2019c
- <sup>64</sup> IMF, 2019 (37)
- <sup>65</sup> Ibid.
- <sup>66</sup> World Bank, 2018b (6)
- <sup>67</sup> World Bank, 2018a
- <sup>68</sup> GoTL and UNDP, 2019 (29)
- <sup>69</sup> Ibid. (24)
- <sup>70</sup> IMF, 2017
- <sup>71</sup> World Bank, 2019a
- <sup>72</sup> Ibid.
- <sup>73</sup> Petroleum is not recorded as an export, although petroleum revenues (e.g. taxes and royalties associated with petroleum production) are recorded as primary income. The balance of payments statistics consider production units in the JPDA to be non-resident (World Bank, 2019a).
- <sup>74</sup> GDS, 2015
- <sup>75</sup> MoF, 2000–2018
- <sup>76</sup> Ibid.
- <sup>77</sup> IMF, 2019 (38)
- <sup>78</sup> World Bank, 2019b
- <sup>79</sup> GDS et al., 201
- <sup>80</sup> Massola, 2019
- <sup>81</sup> PDHJ, 2017
- <sup>82</sup> The LFPR is an indicator of the level of labour market activity. It measures the extent to which the working-age population is economically active. It is defined as the ratio of the labour force to the working-age population expressed in percentage terms.
- <sup>83</sup> SEFPOPE and GDS, 2013
- <sup>84</sup> GDS, 2015
- <sup>85</sup> GDS et al., 2016 (12)
- <sup>86</sup> LFS 2010-2013-2016
- <sup>87</sup> Private consumption and private investment account for less than half of total domestic demand, approximately 45% (MoF, 2000–2018).
- <sup>88</sup> GoTL and UNDP, 2019 (34)
- <sup>89</sup> GDS, 2017
- <sup>90</sup> GoTL, 2019a (163)
- <sup>91</sup> World Bank, 2018a (16)
- <sup>92</sup> Some experts believe the oil reserves will run dry as early as mid-2020.
- <sup>93</sup> The main source of funds for infrastructure development and social benefits in the country.
- <sup>94</sup> GoTL, 2019c
- <sup>95</sup> The 2013 National Risk Assessment and Mapping highlighted exposure, vulnerability and risk with regard to floods, cyclones, droughts, forest fires and earthquakes (GoTL and UNDP, 2013).
- <sup>96</sup> World Risk Index 2018 (BEH and IFHV, 2019). According to Timor-Leste's Second National Communication Report under the United Nations Framework Convention on Climate Change, the country is ranked among the top 10 countries most at risk of disasters (ranking ninth).
- <sup>97</sup> IOM, 2013
- <sup>98</sup> JMP, 2017
- <sup>99</sup> Ibid.
- <sup>100</sup> GoTL, 2010a
- <sup>101</sup> ADB, 2016
- <sup>102</sup> USAID, 2017; Molyneux et al., 2012
- <sup>103</sup> OHCHR, 2019
- <sup>104</sup> Almeida and Wassel, 2016
- <sup>105</sup> Ibid.
- <sup>106</sup> GDS, 2015
- <sup>107</sup> Ibid.
- <sup>108</sup> MAF, 2019
- <sup>109</sup> CEPAD, 2014
- <sup>110</sup> BEH and IFHV, 2018
- <sup>111</sup> ADB, 2016.
- <sup>112</sup> Wallace et al., 2012
- <sup>113</sup> IOM, 2009
- <sup>114</sup> JICA, 2016
- <sup>115</sup> GDS, 2015
- <sup>116</sup> PRIF, 2018
- <sup>117</sup> World Bank, 2012
- <sup>118</sup> PRIF, 2018
- <sup>119</sup> <https://www.protectedplanet.net/country/TL> (accessed 2019)
- <sup>120</sup> ADB, 2014b
- <sup>121</sup> GoTL, 2011
- <sup>122</sup> ADB, 2014b
- <sup>123</sup> MoF, 2000–2018
- <sup>124</sup> ADB, 2014b
- <sup>125</sup> National Adaptation Programme of Action (NAPA) (GoTL, 2010c), National Hazard, Vulnerability and Risk Assessment (GoTL, 2013), draft



- National Disaster Risk Management Policy 2019–2023 (GoTL, 2018b)
- <sup>126</sup> GoTL, 2010a
- <sup>127</sup> GoTL, 2017c
- <sup>128</sup> GoTL, 2019a
- <sup>129</sup> GoTL, 2018a
- <sup>130</sup> GoTL, 2019a
- <sup>131</sup> It summarizes the CCA findings, incorporating the United Nations Economic and Social Commission for Asia and the Pacific's (UNESCAP's) assessment on progress towards the SDGs (for more info see <http://data.unescap.org/sdg/>).
- <sup>132</sup> GoTL, 2017
- <sup>133</sup> Ibid.
- <sup>134</sup> GoTL, 2019a
- <sup>135</sup> 2011 purchasing power parity, equivalent to US\$40.45 per person/month at 2014 Timor-Leste prices, i.e. US\$5.92 less than the country's national poverty line.
- <sup>136</sup> The Multidimensional Poverty Index differentiates between three dimensions of poverty – health, education and living standards – and all of these three categories are weighted equally (i.e. they all count a third of the total). For each household, a deprivation score is constructed using the indicators above. If a household is deprived in more than one third of weighted indicators, it is classified as “multidimensionally poor”.
- <sup>137</sup> OPHI, 2019, using 2016 DHS data
- <sup>138</sup> Internal analysis conducted by the UN
- <sup>139</sup> Data are predictions based on a statistical model
- <sup>140</sup> World Bank, 2019a (6)
- <sup>141</sup> ADB, 2018
- <sup>142</sup> World Bank, 2013 (3)
- <sup>143</sup> UN et al., 2018
- <sup>144</sup> World Bank, 2013 (3)
- <sup>145</sup> Nuno, 2019
- <sup>146</sup> Ibid.
- <sup>147</sup> Bolsa de Mãe targets mainly single mothers heading poor households. Cash payments are received under the condition that a child attends and successfully completes each year of schooling.
- <sup>148</sup> That is, US\$5 per child per month, to a maximum of three children.
- <sup>149</sup> World Bank, 2015
- <sup>150</sup> World Bank, 2013
- <sup>151</sup> UNDRR, 2019
- <sup>152</sup> World Bank, 2018a
- <sup>153</sup> MAF, 2019
- <sup>154</sup> Concern Worldwide and Welthungerhilfe, 2019
- <sup>155</sup> GDS et al., 2018
- <sup>156</sup> GDS et al., 2010
- <sup>157</sup> GDS et al., 2018
- <sup>158</sup> MoH, 2015
- <sup>159</sup> Grantham-McGregor et al., 2007
- <sup>160</sup> Alderman and Headey, 2017
- <sup>161</sup> Hoddinott et al., 2013
- <sup>162</sup> GDS et al., 2018
- <sup>163</sup> Wasting represents a failure to gain appropriate weight relative to height owing to a lack of adequate food or from illness or infection.
- <sup>164</sup> MoH, 2015
- <sup>165</sup> GDS et al., 2018
- <sup>166</sup> Malnutrition among adolescents is classified as a Body Mass Index <18.5.
- <sup>167</sup> GDS et al., 2018
- <sup>168</sup> WHO, 2006
- <sup>169</sup> GDS et al., 2010
- <sup>170</sup> GDS et al., 2018
- <sup>171</sup> Ibid.
- <sup>172</sup> KONSSANTIL et al., 2019
- <sup>173</sup> Tomak, 2016
- <sup>174</sup> World Bank, 2018a
- <sup>175</sup> MoH, 2015
- <sup>176</sup> KONSSANTIL et al., 2019
- <sup>177</sup> FAO, 2018
- <sup>178</sup> FAO, 2017
- <sup>179</sup> KONSSANTIL et al., 2019. Diet modelling used the Cost of the Diet Linear Programming tool.
- <sup>180</sup> The modelling estimated the cost in Baucau, Bobonaro, Dili, Ermera, Manufahi and Oé-Cusse.
- <sup>181</sup> KONSSANTIL et al., 2019
- <sup>182</sup> World Bank, 2019b
- <sup>183</sup> GoTL, 2015
- <sup>184</sup> World Bank, 2019b
- <sup>185</sup> Tomak, 2016
- <sup>186</sup> GDS et al., 2018
- <sup>187</sup> Despite the increase in staff numbers in MAF, lack of capacity remains a pressing issue. Of the 2,196 employees, less than a quarter (around 18%) hold an undergraduate degree and only 1% have a postgraduate degree; the majority of employees have only graduated from secondary school and do not have the necessary skillset to work in multisectoral teams (Fanzo et al., 2017).
- <sup>188</sup> GoTL and UNDP, 2013
- <sup>189</sup> USAID, 2017
- <sup>190</sup> Smith et al., 2019
- <sup>191</sup> KONSSANTIL et al., 2019
- <sup>192</sup> MoF Transparency Portal (<http://budgettransparency.gov.tl/public/index?&lang=en>)
- <sup>193</sup> The school feeding programme is in the Ministry of Education, Youth and Sport (MoEYS) but, again, its budget makes up only a fraction of the total .
- <sup>194</sup> Tomak and IADE, 2017
- <sup>195</sup> Belun and, 2018
- <sup>196</sup> MoF, 2000–2018
- <sup>197</sup> The Constitution of Timor-Leste protects the right to health, medical care and a healthy environment; under Article 57, the state has the responsibility to provide free universal health care through a decentralized public health care system.
- <sup>198</sup> WHO, 2018a
- <sup>199</sup> GBD 2016 Healthcare Access and Quality Collaborators, 2018
- <sup>200</sup> This is the point estimate generated by the Maternal Mortality Estimation Inter-Agency Group for 2015. It is lower than the 2015 Census result: the 2010 and 2015 Censuses estimate 426 deaths per 100,000 births for 2010–2015. It is higher than the value of 195 in the 2016 DHS. See SDG 3 for more analysis. Source: UNFPA, 2015
- <sup>201</sup> UNFPA, 2015
- <sup>202</sup> GDS et al., 2018
- <sup>203</sup> Ibid.
- <sup>204</sup> WHO, 2013
- <sup>205</sup> GDS, 2015; GDS et al., 2018
- <sup>206</sup> TFR based on the 2015 Census and the 2016 DHS.
- <sup>207</sup> GDS et al., 2018
- <sup>208</sup> WHO, 2018b
- <sup>209</sup> Coverage of essential health services defined as the average coverage of essential services based on tracer interventions that cover reproductive, maternal, newborn and child health; infectious diseases; non-communicable diseases; and service capacity and access

- among the general and most disadvantaged population. Global estimates based on latest available data 2010–2017 on the WHO Global Health Observatory UHC Portal ([https://www.who.int/healthinfo/universal\\_health\\_coverage/en/](https://www.who.int/healthinfo/universal_health_coverage/en/)).
- <sup>210</sup> WHO, 2018d
- <sup>211</sup> Price et al., 2016
- <sup>212</sup> World Bank, 2014a
- <sup>213</sup> WHO, 2016
- <sup>214</sup> GDS et al., 2018
- <sup>215</sup> Government expenditure from MoF Transparency Portal (<http://budgettransparency.gov.tl/public/index?&lang=en>) for 2016; health consultation rate from Health Management Information System (HMIS) for 2012
- <sup>216</sup> WHO, 2019
- <sup>217</sup> GoTL, 2010a
- <sup>218</sup> UNESCO, 2018
- <sup>219</sup> 1 = No capacity; 2 = Limited capacity; 3 = Developed capacity; 4 = Demonstrated capacity; 5 = Sustainable capacity.
- <sup>220</sup> MoH, 2019
- <sup>221</sup> WHO, 2014
- <sup>222</sup> The study explored causes of death in Timor-Leste and trends over time to make future predictions on the country's key causes of death.
- <sup>223</sup> Global Burden of Disease (GBD) Foresight Tool using 2016 GBD data (<http://ihmeuw.org/4wgq>).
- <sup>224</sup> WHO, 2014
- <sup>225</sup> GDS et al., 2018
- <sup>226</sup> WHO, 2018a
- <sup>227</sup> WHO, 2014
- <sup>228</sup> MoEYS and World Bank, 2019
- <sup>229</sup> World Bank, 2018c
- <sup>230</sup> GoTL, 2018c (27)
- <sup>231</sup> GoTL, 2018c
- <sup>232</sup> GDS (2015)
- <sup>233</sup> Education Management Information System (EMIS) for 2018
- <sup>234</sup> EMIS 2017
- <sup>235</sup> GoTL, 2018c (29)
- <sup>236</sup> GDS et al., 2017: 4
- <sup>237</sup> UN Women and UNICEF, 2019
- <sup>238</sup> GDS, 2015
- <sup>239</sup> Internationally comparable data on learning assessment are not available for Timor-Leste.
- <sup>240</sup> World Bank, 2018b
- <sup>241</sup> GDS et al., 2017
- <sup>242</sup> GoTL, 2018c: 151
- <sup>243</sup> EMIS 2017
- <sup>244</sup> 75% of boys and 67% of girls surveyed reported experiencing physical violence by a teacher at school in the previous 12 months (UNICEF, 2016a).
- <sup>245</sup> Hoddinott et al., 2013
- <sup>246</sup> World Bank, 2018b
- <sup>247</sup> GoTL, 2018c
- <sup>248</sup> Ibid. (27)
- <sup>249</sup> GDS, 2015
- <sup>250</sup> GDS and UNFPA, 2018
- <sup>251</sup> GoTL, 2018c: 25
- <sup>252</sup> World Bank, 2018c
- <sup>253</sup> GoTL, 2018c
- <sup>254</sup> MoEYS, 2017
- <sup>255</sup> According to UNICEF, 2017
- <sup>256</sup> Timor-Leste has signed the International Covenant on Economic, Social and Cultural Rights, the International Covenant on Civil and Political Rights, the Convention on the Elimination of Discrimination Against Women, the Convention Against Torture and the Convention on the Rights of the Child.
- <sup>257</sup> The Penal Code 2009 (which covers some forms of violence against women), the Law against Domestic Violence 2010, the Draft Law on Child Protection, the National Action Plan for Children 2016–2020 and the Child and Family Welfare Policy 2015, among other policies.
- <sup>258</sup> National Action Plans on Gender-Based Violence 2012–2016 and 2017–2021, the National Action Plan on the Women, Peace and Security Agenda 2016–2020, Guidelines to Address Sexual Harassment in the Civil Service 2017, the National Police Gender Strategy 2018, the Maubisse Declaration 2015, the National Action Plan for Women in the Private Sector 2014 and attention to gender inequality in the National Employment Strategy 2017.
- <sup>259</sup> UN Women, 2017
- <sup>260</sup> The Asia Foundation, 2016
- <sup>261</sup> Saeed and Galhos, 2017
- <sup>262</sup> GDS et al., 2018
- <sup>263</sup> IPU, 2018
- <sup>264</sup> UN Women, 2016
- <sup>265</sup> GDS et al., 2018
- <sup>266</sup> GDS et al., 2016
- <sup>267</sup> In the Indonesian province of Nusa Tenggara Timur, which includes West Timor, the corresponding figures are 50% for women and 27% for men. The 2017 Indonesia DHS rates are much lower: 32% for women and 17% for men (BPS et al., 2018).
- <sup>268</sup> UN Women, 2018a (139)
- <sup>269</sup> GDS et al., 2018
- <sup>270</sup> The Asia Foundation, 2016
- <sup>271</sup> A small-scale, non-representative study found 46% of parents believed that, to bring up or educate a child properly, the child needed to be physically punished (UNICEF, 2017b).
- <sup>272</sup> GDS et al., 2016
- <sup>273</sup> JMP 2017 service ladders are used to benchmark and compare service levels across countries.
- <sup>274</sup> JMP, 2019.
- <sup>275</sup> World Bank, 2018d
- <sup>276</sup> JMP, 2017
- <sup>277</sup> Abdi, 2016
- <sup>278</sup> For an explanation of improved/unimproved water and sanitation facilities, see GDS (2015).
- <sup>279</sup> UNICEF, 2016b
- <sup>280</sup> GoTL, 2019a (85)
- <sup>281</sup> UNICEF, 2016b (8)
- <sup>282</sup> JMP, 2019
- <sup>283</sup> GDS et al., 2018 (10)
- <sup>284</sup> JMP, 2019
- <sup>285</sup> The DHS defines wealth quintiles based on the number and kinds of consumer goods a household owns, ranging from a television to a bicycle or car, as well as housing characteristics such as flooring materials.
- <sup>286</sup> World Bank, 2018d
- <sup>287</sup> MoF, 2019c
- <sup>288</sup> UNICEF, 2019
- <sup>289</sup> Abdi, 2016 (8)
- <sup>290</sup> IDS, 2016
- <sup>291</sup> MoF and World Bank, 2015
- <sup>292</sup> GDS et al., 2018
- <sup>293</sup> GDS et al. (2010, 2018)
- <sup>294</sup> UNICEF, 2017
- <sup>295</sup> GDS et al., 2018
- <sup>296</sup> MoF and World Bank, 2015
- <sup>297</sup> Mercy Corps, 2011



- <sup>298</sup> GDS et al., 2018
- <sup>299</sup> The Government expects the average per capita rate of electricity consumption to increase from approximately 174 kilowatt hours in 2012 to more than 750 kilowatt hours in 2030 (MoF and World Bank, 2015: 140).
- <sup>300</sup> MoF and World Bank, 2015
- <sup>301</sup> MoF, 2000–2018
- <sup>302</sup> IMF, 2019 (37)
- <sup>303</sup> Measuring unemployment in low-income countries can be challenging owing to the often-large size of the informal sector, seasonal employment and subsistence agriculture. Another measure of how well a labour market can absorb the working-age population is the LFPR (see Section 2.4).
- <sup>304</sup> GDS, 2016
- <sup>305</sup> GDS, 2015
- <sup>306</sup> GDS et al., 2018
- <sup>307</sup> LFS, 2013
- <sup>308</sup> See Annex Table A1 for unemployment data from the Census and the Labour Force Survey 2013.
- <sup>309</sup> GDS, 2015
- <sup>310</sup> Belun and UN, 2018
- <sup>311</sup> SEPOPE, 2013
- <sup>312</sup> GDS, 2016
- <sup>313</sup> GoTL and UNDP, 2019
- <sup>314</sup> World Bank, 2017
- <sup>315</sup> World Bank, 2018a
- <sup>316</sup> MoF, 2000–2018
- <sup>317</sup> IMF, 2019 (38)
- <sup>318</sup> World Bank, 2019b
- <sup>319</sup> GDS et al., 2016 (12)
- <sup>320</sup> Belun and UN, 2018
- <sup>321</sup> SEPOPE, 2014
- <sup>322</sup> In 2016, Timor-Leste had the fifth highest expenditure-to-GDP ratio in the world – when general government expenditure amounted to 72 (World Bank, 2019b).
- <sup>323</sup> Some industry experts expect existing oilfields to run dry by mid-2020.
- <sup>324</sup> World Bank, 2018b (22)
- <sup>325</sup> GoTL and UNDP, 2019 (24)
- <sup>326</sup> World Bank, 2019b
- <sup>327</sup> Lee, 2018 (6)
- <sup>328</sup> GoTL, 2019a
- <sup>329</sup> World Bank, 2018a
- <sup>330</sup> GoTL, 2010a: 100
- <sup>331</sup> Inder, 2018
- <sup>332</sup> GDS et al., 2016
- <sup>333</sup> Inder, 2018
- <sup>334</sup> Massola, 2019
- <sup>335</sup> GoTL, 2010a
- <sup>336</sup> MoF, 2019b: 19
- <sup>337</sup> ADB, 2019 (6)
- <sup>338</sup> At the time of writing, the plan was still considered a draft as it had not been approved by the Council of Ministers.
- <sup>339</sup> ADB, 2019
- <sup>340</sup> MoF and World Bank, 2015
- <sup>341</sup> MoEYS and World Bank, 2019
- <sup>342</sup> GoTL, 2019c
- <sup>343</sup> UNESCAP, 2019
- <sup>344</sup> MoF and World Bank, 2015
- <sup>345</sup> World Bank, 2016
- <sup>346</sup> GDS et al., 2016
- <sup>347</sup> World Bank, 2018a
- <sup>348</sup> Based on consumer goods a household owns and housing characteristics.
- <sup>349</sup> For more information on the DHS wealth index, see <https://www.dhsprogram.com/topics/wealth-index/Wealth-Index-Construction.cfm>
- <sup>350</sup> GDS et al., 2018
- <sup>351</sup> UNESCAP, 2019
- <sup>352</sup> GDS et al., 2018
- <sup>353</sup> The TFR based on the 2015 Census is higher at 4.6 live births per woman; as the DHS is based on a representative sample, the latter results are probably more accurate.
- <sup>354</sup> World Bank, 2018b
- <sup>355</sup> World Bank, 2019b
- <sup>356</sup> IOM, 2019
- <sup>357</sup> UN et al., 2018
- <sup>358</sup> IOM, 2019
- <sup>359</sup> World Bank, 2013
- <sup>360</sup> UNDRR, 2019
- <sup>361</sup> UN DESA, 2018a
- <sup>362</sup> Calculations based on 2010 and 2015 Census data.
- <sup>363</sup> Ibid.
- <sup>364</sup> UN-Habitat, 2015 (2)
- <sup>365</sup> JICA, 2016
- <sup>366</sup> UN Women, 2018b
- <sup>367</sup> JICA, 2016
- <sup>368</sup> The projections are based on the 2010 Census and are assuming an annual GDP growth rate of nearly 10%.
- <sup>369</sup> KONSSANTIL, 2019
- <sup>370</sup> Woodruff, 2014
- <sup>371</sup> Lloyd Neubauer, 2017
- <sup>372</sup> Woodruff, 2014
- <sup>373</sup> The material flow analysis is based on the country's imports of the 15 material categories studied, averaged over a seven-year period to 2016, compared with exports of those recovered recyclable materials, averaged over a two-year period 2015–2016, presented as a share of the total of the 15 categories.
- <sup>374</sup> PRIF, 2018
- <sup>375</sup> World Bank, 2012
- <sup>376</sup> PRIF, 2018
- <sup>377</sup> Ibid
- <sup>378</sup> CAT-HCR uses water at high pressure and high temperature to convert plastic waste into high-value products.
- <sup>379</sup> GoTL, 2019d
- <sup>380</sup> ADB, 2014
- <sup>381</sup> The country has high exposure, vulnerability and risk to floods, cyclones, droughts, forest fires and earthquakes (GoTL and UNDP, 2013).
- <sup>382</sup> BEH, 2019
- <sup>383</sup> IOM, 2013
- <sup>384</sup> PACCSAP, 2015
- <sup>385</sup> ADB, 2016
- <sup>386</sup> Wallace et al., 2012
- <sup>387</sup> IOM, 2009
- <sup>388</sup> GoTL, 2010b
- <sup>389</sup> UNESCO, 2018
- <sup>390</sup> GoTL and UNDP, 2013
- <sup>391</sup> UNDP, 2019c
- <sup>392</sup> IOM, forthcoming
- <sup>393</sup> National Disaster Operation Centre–National Disaster Risk Management Directorate and UNDP database 1992–2020
- <sup>394</sup> USAID, 2017
- <sup>395</sup> GoTL, 2010c
- <sup>396</sup> UNDP, 2019d
- <sup>397</sup> UNEP, 2020

- <sup>398</sup> GoTL, 2011.
- <sup>399</sup> ADB, 2014
- <sup>400</sup> GoTL, 2011
- <sup>401</sup> ADB, 2014
- <sup>402</sup> MoF, 2000–2018
- <sup>403</sup> UNDP, 2018c
- <sup>404</sup> Charles Darwin University and GoTL, 2009
- <sup>405</sup> GoTL, 2011
- <sup>406</sup> ADB, 2014
- <sup>407</sup> Ibid.
- <sup>408</sup> UNDP, 2018c
- <sup>409</sup> <https://www.protectedplanet.net/country/TL>
- <sup>410</sup> Mongabay, 2019.
- <sup>411</sup> Sandlund et al., 2001
- <sup>412</sup> GoTL, 2011
- <sup>413</sup> FAO, 2010
- <sup>414</sup> Mongabay, 2019
- <sup>415</sup> The income these activities provide include fuelwood-gathering, hunting, collection of palm wine, production of palm stem panel for house walling, collection of palm leaves for house roofing, harvesting of rattan, harvesting of bamboo, thinning, nursery and gathering of honey.
- <sup>416</sup> GoTL, 2011
- <sup>417</sup> MAF, 2017b
- <sup>418</sup> GoTL, 2011
- <sup>419</sup> UNEP, Mammal Species, Threatened – Country Ranking – Asia
- <sup>420</sup> GoTL, 2011
- <sup>421</sup> Ibid.
- <sup>422</sup> Ibid
- <sup>423</sup> ADB, 2014
- <sup>424</sup> GoTL, 2011
- <sup>425</sup> The 2006 crisis involved a violent confrontation between the armed forces and police linked to a complex set of political and institutional conflicts, which triggered another outbreak of violence for several months.
- <sup>426</sup> IEP (2020). Only four of 10 ASEAN members ranked higher than Timor-Leste (Singapore at 7th – very high peace, Malaysia at 20th, Indonesia at 49th and Laos at 50th in the same tier as Timor-Leste).
- <sup>427</sup> Fundasaun Mahein, 2019. Another incident in Liquiçá in July 2019 resulted in two deaths, 13 houses destroyed and 53 people fleeing their homes.
- <sup>428</sup> Pawelz, 2015
- <sup>429</sup> The Asia Foundation, 2016
- <sup>430</sup> UNICEF, 2016a. This study was conducted in five schools in each of five municipalities, randomly sampling 1,405 students and 279 teachers. Discussions were held with students, parents, teachers, police and other community members. Findings are not representative at country level.
- <sup>431</sup> JSMP, 2019
- <sup>432</sup> UNODC, n.d.
- <sup>433</sup> World Bank, 2017
- <sup>434</sup> CAC, 2018
- <sup>435</sup> The legal framework includes the Criminal Procedure Code, the Penal Code, the Witness Protection Law, the Anti-Corruption Commission Law, the Public Service Law, the International Judicial Cooperation in Criminal Matters Law and the Anti-Money-Laundering Law.
- <sup>436</sup> The Law for the Local Power and Administrative Decentralization and the Law for Municipal Elections.
- <sup>437</sup> The first elections at municipal level are planned for 2021 and 2022 in selected municipalities that pass the minimum conditions.
- <sup>438</sup> At the moment, several decentralization laws are awaiting approval from Parliament.
- <sup>439</sup> Articles 41–45.
- <sup>440</sup> The Freedom in the World Index, an aggregate score based on political rights and civil liberties (Freedom House, 2018).
- <sup>441</sup> EIU, 2018. All ASEAN members have lower democracy indices than Timor-Leste: Malaysia 6.88, the Philippines 6.71, Indonesia 6.39, Singapore 6.38, Thailand 4.63, Myanmar 3.83, Cambodia 3.59, Vietnam 3.08 and Laos 2.37 (Brunei unknown).
- <sup>442</sup> Salikha, 2018
- <sup>443</sup> CNE, 2017, 2018
- <sup>444</sup> Secretary of State for Youth and Sports, 2016
- <sup>445</sup> In the 2015 Census, boys and girls under five had identical rates of registration and birth certification in rural and urban areas, although registration in rural areas is higher (64%) than that in urban areas (52%).
- <sup>446</sup> UNICEF, 2017a
- <sup>447</sup> GDS, 2015
- <sup>448</sup> GDS, 2010, 2015
- <sup>449</sup> Article 4
- <sup>450</sup> OHCHR, 2019
- <sup>451</sup> GDS et al., 2018
- <sup>452</sup> JSMP, 2019
- <sup>453</sup> Saeed and Galhos, 2017
- <sup>454</sup> GDS et al., 2016
- <sup>455</sup> UNICEF, 2016a
- <sup>456</sup> UNDP, 2018b (7 (
- <sup>457</sup> GoTL, 2013 (28); GDS and MoF, 2014
- <sup>458</sup> The Office of the President of Republic (2019). The President of the Republic Vetoes the 2019 State Budget.
- <sup>459</sup> Almeida and Wassel, 2016
- <sup>460</sup> Brady, and Timberman, 2006.
- <sup>461</sup> GDS, 2015
- <sup>462</sup> MAF, 2019
- <sup>463</sup> GoTL, 2016a
- <sup>464</sup> SEPFPOE, 2013 (28)
- <sup>465</sup> World Bank, 2019d (42)
- <sup>466</sup> GoTL, 2010a (117)
- <sup>467</sup> GoTL, 2019a
- <sup>468</sup> The criteria for graduation include 1) the income criterion, 2) the Human Assets Index, based on indicators of (a) nutrition: percentage of population undernourished; (b) health: mortality rate for children aged five years or under; (c) education: gross secondary school enrolment ratio; and (d) adult literacy rate; and 3) the Economic Vulnerability Index.
- <sup>469</sup> UN-OHRLS, 2019
- <sup>470</sup> Timor-Leste is a party to the International Covenant on Economic, Social and Cultural Rights; the International Covenant on Civil and Political Rights; the Convention on the Elimination of All Forms of Discrimination Against Women; the Convention Against Torture and Other Cruel, Inhumane or Degrading Treatment or Punishment; the Convention on the Rights of the Child; the Convention on the Elimination of All Forms of Racial Discrimination; and the Convention on the Protection of the Rights of All Migrant Workers and Members of their Families.
- <sup>471</sup> The Penal Code 2009, which covers some forms of violence against women, the Law against Domestic Violence 2010, the Draft Law on Child Protection, the National Action Plan for Children 2016–2020 and the Child and Family Welfare Policy 2015.



among other policies.

<sup>472</sup> National Action Plans on Gender-Based Violence 2012–2016 and 2017–2021, the National Action Plan on the Women, Peace and Security Agenda 2016–2020, Guidelines to Address Sexual Harassment in the Civil Service 2017, the National Police Gender Strategy 2018, the Maubisse Declaration 2015, the National Action Plan for Women in the Private Sector 2014 and attention to gender inequality in the National Employment Strategy 2017.

<sup>473</sup> The legal framework includes the Criminal Procedure Code, the Penal Code, the Witness Protection Law, the Anti-Corruption Commission Law, the Public Service Law, the International Judicial Cooperation in Criminal Matters Law and the Anti-Money-Laundering Law.

<sup>474</sup> The SDP, the National Policy on Inclusion and Promotion of Rights of Persons with Disabilities, the National Youth Policy, the National Action for Women, Peace and Security, the Maubisse Declaration on the Rights of Rural Women and the National Policy on Inclusive Education, among other commitments and sectorial strategies, policies and actions.

<sup>475</sup> WHO, 2019

<sup>476</sup> The typical retail price for 1 g of crystalline methamphetamine is estimated at US\$300–350 and the retail price for one tablet of ecstasy at US\$40–50, which is higher than in any other country in Southeast Asia.

<sup>477</sup> ILO, NORMLEX

<sup>478</sup> United States Department of State, 2018

<sup>479</sup> World Bank, 2018a

<sup>480</sup> IOM, 2019

<sup>481</sup> World Bank, 2019c (17)

<sup>482</sup> World Bank, 2018b (38)

<sup>483</sup> GoTL, 2017a (18)

<sup>484</sup> ADB, 2014

<sup>485</sup> Aid Transparency Portal

<sup>486</sup> Note that this figure does not include funding that has been secured but is not committed to a specific project.

<sup>487</sup> Aid Transparency Portal

<sup>488</sup> UNDP, 2019d

<sup>489</sup> Ibid.

<sup>490</sup> GoTL and UNDP, 2019 (26)

<sup>491</sup> Transfers in excess of the ESI can be made if the Government justifies the spending to Parliament and Parliament then decides the investment is in the long-term interest of Timor-Leste.

<sup>492</sup> World Bank, 2019a

<sup>493</sup> The main source of funds for infrastructure development and social benefits in the country.

<sup>494</sup> World Bank, 2018a

<sup>495</sup> GoTL and UNDP, 2019 (24)

<sup>496</sup> Ibid. (28)

<sup>497</sup> World Bank, 2017

<sup>498</sup> GoTL and UNDP, 2019

<sup>499</sup> Office of the President of Republic, 2019

<sup>500</sup> World Bank, 2019a

<sup>501</sup> World Bank, 2018a

<sup>502</sup> GoTL and UNDP, 2019 (29)

<sup>503</sup> World Bank, 2018b (39)

<sup>504</sup> Ibid. (26)

<sup>505</sup> World Bank, 2013 (3)

<sup>506</sup> UN et al., 2018

<sup>507</sup> A small-scale, non-representative study found 46% of parents believed that, in order to bring up or educate a child properly, the child needed to be physically punished (UNICEF, 2017b).

<sup>508</sup> OHCHR, 2019

<sup>509</sup> Almeida and Wassel, 2016

<sup>510</sup> Brady and Timberman, 2006

<sup>511</sup> GDS, 2015

<sup>512</sup> MAF, 2019

<sup>513</sup> MAF, 2017a

<sup>514</sup> KONSSANTIL, 2019

<sup>515</sup> Timor-Leste scored 34.2, or 110 out of 119 countries (Concern Worldwide and Welthungerhilfe, 2019).

<sup>516</sup> BEH and IFHV, 2018

<sup>517</sup> GoTL and UNDP, 2013

<sup>518</sup> NDRMD, BDDTL

<sup>519</sup> USAID, 2017

<sup>520</sup> BEH and IFHV, 2018

<sup>521</sup> UNDP, 2019 (7)

<sup>522</sup> GoTL, 2010a

<sup>523</sup> World Bank, 2017

<sup>524</sup> GDS and UNFPA, 2018

<sup>525</sup> GDS, 2015

<sup>526</sup> GDS et al., 2010

<sup>527</sup> GDS et al., 2018

<sup>528</sup> Ibid.

<sup>529</sup> MoEYS and World Bank, 2019

<sup>530</sup> UNICEF, 2016a

<sup>531</sup> Guedes et al., 2016

<sup>532</sup> GDS, 2015

<sup>533</sup> GDS, 2013

<sup>534</sup> GDS, 2015

<sup>535</sup> GDS et al., 2018

<sup>536</sup> The Asia Foundation, 2016

<sup>537</sup> Saeed and Galhos, 2017

<sup>538</sup> GDS, 2015

<sup>539</sup> There is insufficient use in all government surveys of the set of six questions related to disability from the internationally recognized UN Washington Group on Disability Statistics, which aims to ensure accurate data on children with disabilities in the education system are collected.

<sup>540</sup> GDS et al., 2017

<sup>541</sup> GDS, 2015

<sup>542</sup> Ibid.

<sup>543</sup> GDS et al., 2018

<sup>544</sup> GDS and MoF, 2014

<sup>545</sup> Fanzo et al., 2017

<sup>546</sup> It should be noted that the total number of MAF staff is rather large for a country with a population of around 1.2 million. While it may seem crude to compare Timor-Leste with industrialized nations, exploring staff numbers of high-income countries may help contextualise the size of ministries in Dili. For example, the United Kingdom Department for Environment, Food and Rural Affairs had around 3,500 staff in 2018 (DEFRA, 2019), while Germany's counts around 900 staff (BMEL, 2019).

<sup>547</sup> Fanzo et al., 2017 (32)

<sup>548</sup> MoF and World Bank, 2015

<sup>549</sup> MoF, 2019c

<sup>550</sup> Budget Transparency Portal

<sup>551</sup> World Bank, 2019b

<sup>552</sup> Fanzo et al., 2017

<sup>553</sup> Summary of GEWE commitments in Timor-Leste (Planet 50-50) cited earlier

<sup>554</sup> KONSSANTIL, 2019

<sup>555</sup> The definitions used in this report are cited from the 2015 Census (GDS, 2015), the 2016 DHS (GDS et al., 2018) and the Population and Housing Census 2015 Education Monograph (GDS et al., 2017).

<sup>556</sup> The population with a disability is the segment of the population that has disabilities of any time, walking, hearing or mental.





## **Credits**

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