



EXECUTIVE SUMMARY

SOCIO-ECONOMIC IMPACT ASSESSMENT OF COVID-19 IN TIMOR-LESTE, ROUND 2, 2021



UNITED NATIONS IN TIMOR-LESTE

Research Team

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Background

The first positive case of COVID-19 emerged in Timor-Leste on 21 March 2020. A week later, 28 March 2020, the first national State of Emergency (SoE) was declared to prevent the spread of COVID-19, with an end date of 26 June 2020. The SoE, included actions such as domestic and international travel restrictions, closure of schools and physical distancing. Since the initial Decree, the SoE has been renewed monthly, and there have been sanitary fences and home confinements with varying degrees of restrictions and duration in different municipalities.

The nature of COVID-19 presented novel challenges for Timor-Leste. Restricting inter-municipality travel and the face-to-face interactions necessary for the large informal sector hit uniquely hard in a country with limited access to technological supports and relative geographic isolation. With 46 percent of the population being multidimensionally poor; and a significant majority of the population relying on small-scale subsistence farming, by the end of 2020, Timor-Leste's progress towards SDG 1 (No poverty) and SDG 8 (Decent work and economic growth) had slowed. Like in many other small-island developing states, the impact of COVID-19 has also been compounded with climate change effects. In particular, Timor-Leste was hit by large-scale floods in April 2021.

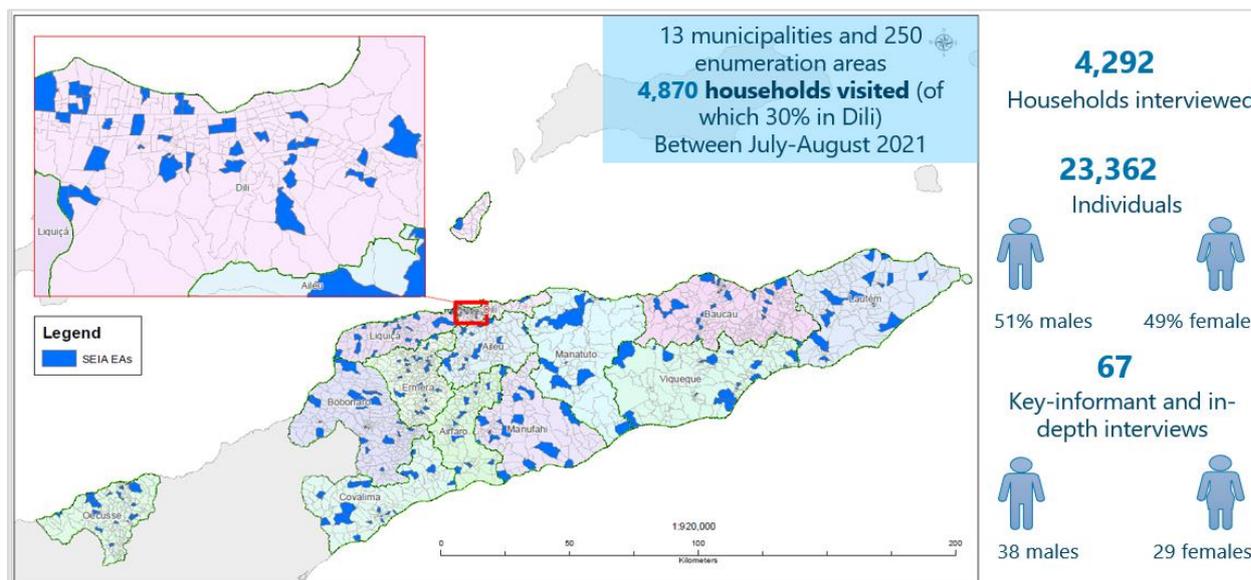
Aware of the precarious positions of most Timorese, the Government of Timor-Leste launched a relief package – one of the world's largest at 13 percent of GDP. Beginning in May 2020, the package included cash transfers, emergency food distributions, wage subsidies, a credit moratorium, and electricity and water utility subsidies. Early on relief planning, however, it became clear to government policy makers and the development community that there was a lack of accurate nationwide data on how and where to employ support packages most effectively, as well as the real impact such measures might be having.

In response, the United Nations conducted a rapid socio-economic impact assessment (SEIA-1) in June and July 2020 in five municipalities – Dili, Baucau, Bobonaro, Viqueque and RAOEA (Oecusse). The results of SEIA-1 helped policy makers, development partners and civil society, informing their pandemic responses and economic recovery plans. One year after the initial SoE was announced, the SEIA was scaled up to a nationwide household survey and a national micro, small and medium enterprises survey. The SEIA-2 was conducted by UN Timor-Leste in partnership with the General Directorate of Statistics (GDS) and the Ministry of Finance. It expands upon the SEIA-1 findings to provide a longer-term view of the pandemic's impacts and the effects of government economic stimulus and support measures.

The purpose of this study is to identify the impacts of COVID-19 on individuals, households, and communities, as well as MSMEs in Timor-Leste, and to develop recommendations to inform further recovery interventions. The specific objectives are to assess the social and economic impacts of the COVID-19 pandemic among the population, including poor and vulnerable households, and how individuals and households are coping with and managing risks; examine the gender dimension of the pandemic, particularly the extent to which women may be more affected than men; identify the measures needed to support the most vulnerable groups (including individuals living in poverty, older persons, youth, people with disabilities, women, and children); and assess how responsive the COVID-19 prevention, protection, and recovery measures were to the diverse needs of groups.

Methodology

The SEIA-2 is a micro-level, mixed-method, and cross-sectional survey. The **sampling design** of the SEIA-2 survey aimed at results that are representative at the national level and covered all 13 municipalities. Between July and September 2021, data were collected face-to-face from 4,292 households representing 23,362 individuals (50.8 percent male and 49.1 percent female). **Qualitative interviews** with government agencies, NGOs, and members of vulnerable groups totalled 67.



This report identifies the differential effect of COVID-19 on various socio-economic groups of Timor-Leste society, specifically the following inequalities:

- Analysing the economic vulnerability of households through the **wealth index** and making comparisons between the poorest (lowest wealth quintile) and relatively well-off (highest wealth quintiles) households.
- The team constructed and used a **social vulnerability index** measuring the number of characteristics of persons in the household that place them at higher risk of economic deprivation, exclusion, and social isolation. Households with members of older age, having a disability, female headship of the household and the number of children vis á vis persons in the working-age groups (the child dependency ratio) were measured. The social vulnerability index divided the households into three groups: 'less vulnerable'; 'more vulnerable'; and 'most vulnerable'.
- **Geographic inequalities** were identified by rural and urban, households and individuals in Dili and in other municipalities and by municipalities where possible.
- As the survey includes both households and individual levels, it enables understanding the **intra-household inequalities** and the gender dimension of the pandemic on domestic work, employment, migration, and access to education services.

SEIA-2 also covered disruptions on households and individuals caused by the floods that hit Timor-Leste in April 2021. This nationwide survey comes in a time where no nationwide household and MSME surveys were available.

Main results

The study shows how the COVID-19 situation has exacerbated underlying issues within the country, including large gaps in development between rural and urban settings, the effects of climate hazards, and limited access to education, health services, social protection programmes and markets. To cope with the confluence of the pandemic, Easter Flood and major difficulties, households have employed coping strategies that hinder further improvement in their lives. The study reveals that the negative impacts of the pandemic hit hardest the poorest households, households outside the capital municipality of Dili and households with high levels of social vulnerability, but that relatively well-off households also experienced losses and challenges, for example, in food insecurity. The existing inequalities and vulnerabilities increased the severity of COVID-19 economic and social impacts on the most marginalised, in part by preventing them from accessing much needed support from the government or other networks. However, the study also finds resilience among communities, the important role of the national government in social support, and continued efforts of various government and civil society organisations to reduce these negative impacts.

Pre-existing vulnerabilities in Timor-Leste exacerbate the COVID-19 effects

Wealth and social vulnerability are unevenly distributed among the 13 municipalities in the country. Wealth is concentrated in Dili, where, according to the SEIA-2, only 6.8 percent of all households are found in the two lowest wealth quintiles. The highest percentage of economically vulnerable households are found in Oecusse (69.4 percent). The highest levels of social vulnerability¹ were found in Lautém, Viqueque and Covalima, while the lowest percentage was in Dili. The social vulnerability status of the household was closely related to economic vulnerability; 52.1 percent of the most socially vulnerable households belong to the economically vulnerable group (the two lowest wealth quintiles).

Women were more likely than men to belong to a socially vulnerable category, and pregnant and breastfeeding women were more likely to be poor. Women comprised 56.3 percent of the most vulnerable household members versus 43.3 percent men. Respondents reported that 3.0 percent of all women in the age group 15 – 49 were pregnant at the time of the survey, and 12.0 percent were breastfeeding. Among those pregnant or breastfeeding at the time of the interview, only 11.8 percent formed part of the richest quintile, while this was the case for 20.2 percent of women not breastfeeding or pregnant.

Female heads of households were older on average and exhibited more economic vulnerabilities than male heads of households. Consistent with other recent national surveys, 16.8 percent of all households were headed by women. The highest percentage of female heads were found in Lautém and Baucau, where more than twenty percent of all households are headed by women.

Households with high dependency ratios (large number of children dependent on few working-age adults) are concentrated in the poorest quintiles. Among the four dependency ratio categories

¹ Households with members of older age, having a disability, female headship of the household and the number of children vis á vis persons in the working-age groups (the child dependency ratio) were measured. The social vulnerability index divided the households into three groups: 'less vulnerable'; 'more vulnerable'; and 'most vulnerable.'

constructed², almost one-third of households (32.6 percent) in the poorest quintile had a very high dependency ratio of 133 percent or more, twice as high as the percentage of households in the richest quintile (16.8 percent). Among age groups, the younger (0 – 14 years) and the older (65+ years) people are likely to live the two poorest wealth quintiles.

Households with older persons have a higher chance of being poor. In the survey, 6.0 percent of the total population was 65 years of age or older. Among all households, 22.7 percent had at least one person older than 65 years old. Female headed households were more likely to have older persons (34.6 percent) than male headed households (20.3 percent). Among households without an older person, 18.4 percent belonged to the poorest quintile, against 24.9 percent of households with one older person and 25.8 percent of households with two or more older persons.

People with disabilities are overrepresented in the poorer segments of society: Respondents indicated that 1.7 percent of all persons 15 years of age and older had a disability, i.e. they had a lot of problems executing at least one of the four questions on walking, seeing, hearing, or remembering or they could not do them at all. 52.3 percent of people with a disability are found in the lowest two wealth quintiles, against 41.3 percent of people without a disability.

During the SoE, internal migration tended to be from urban-to-rural settings. Overall, 2.9 percent of all individuals had moved since the SoE in March 2020, more men (53.6 percent) than women (46.4 percent). Among those who moved, 39.9 percent moved from urban-to-rural, followed by those who moved between rural locations (27.1 percent). Most people who migrated for employment or education opportunities had moved to urban settings, whereas more people who moved due to threats of COVID-19 had moved to rural settings. Those who moved due to the Easter Flood were primarily from vulnerable and poor households.

Employment back to normal? However - vulnerable employment in an agricultural economy persists

Low participation in the labour market persists. The overall labour force participation rate (March 2021) was 51.3 percent. This represents the percentage of the working-age population that is working in the market economy or is looking for paid employment. The labour force participation of women was lower than that of men, respectively 46.7 and 55.8 percent, which represents a gender parity index³ of 0.84.

The employment base of Timor-Leste is small and fragile. The percentage of the working-age population that was employed in the market economy as of March 2021 was 45.2 percent (48.6 percent of working age men and 35.3 percent of women). This indicates that relatively few people of working age are income earners.

- **Paid employment does not mean decent work.** Employment levels seem to have recovered, many jobs in which people work for pay or profit are characterised by informal work arrangements and insecure employment, unstable and inadequate earnings and low productivity. Most people working in the market economy are self-employed or contributing family workers (86.3 percent), who can be classified as working in 'vulnerable employment'.

² The categories of household dependency ratio constructed are: below 33 percent, 33 to 69 percent, 70 to 132 percent and 133 percent or more (including households without persons in the working-age range).

³ The gender parity index for labour force participation is calculated as the rate for women divided by the rate for men. A value of 1 indicates exact gender equity, and the further from 1 the parity index, the greater the gender disparity.

- **High dependence on the agricultural sector.** More than 70 percent of the people working in the market economy are engaged in agricultural production and sale of agricultural products. Employment in other economic sectors with higher productivity, such as manufacturing and construction (3.7 percent), is sparse. The dependence on agriculture activities is further accentuated by the importance of subsistence agriculture in the country. If the agricultural subsistence workers were added to the population working in the market economy, the overall employment-to-population ratio would increase from 45.2 percent to 61.1 percent.
- **Gender and disability disparities.** Persons living with a disability have a particularly disadvantaged position in the labour market, as indicated by the employment-to-population ratio of this group (25.2 percent), compared to that of the population not living with a disability (45.5 percent). Gender-specific differences also show disadvantaged working conditions for women. Thus, women have a lower employment- to-population ratio than men (respectively, 41.7 and 48.6 percent), are less often working in economic sectors with more stable and productive employment and are more often than men engaged in vulnerable employment (90.0 percent compared to 83.2 percent).

Job loss and unemployment hit the young people the hardest. The overall unemployment rate (the percentage of the labour force that is unemployed) in March 2021 was 11.9 percent. The gender-specific rates suggest relatively small differences between women and men (respectively, 10.8 and 12.8 percent). However, the unemployment for the group of young people aged 25-29 years was double the national average (22.1 percent). This unusual pattern is likely related to the impact of COVID-19, as it was for the young adult age group that the highest level of job loss was recorded.

Impact of COVID-19 on work and employment. The COVID-19 pandemic and the SoE had various impacts on people's employment and non-market activities.

- **Job loss due to COVID-19.** Almost two in five (39.3 percent) persons working in the market economy in March 2020 reported having lost their job due to the COVID-19 pandemic, at least for some period. Losing a job affected men slightly more than women (respectively, 42.0 and 36.0 percent) and particularly affected the age group 25-39 (43.3 percent) and Dili residents (54.6 percent compared to 38.4 percent of non-Dili residents). The main reasons for job loss were imposed restrictions to activities (35.5 percent), the travel ban in the country (26.0 percent) and people's fear of infection (19.0 percent).
- **Other impacts on employment.** Other COVID-related employment impacts that were commonly mentioned referred to working from home (for 11.0 percent of the employed) and working less hours (5.9 percent).
- **Domestic work increased especially for women.** For around 22 percent of households, an increase in the time spent on various domestic chores (family care, water collection, shopping for food, cooking and cleaning) was mentioned. Women and adult household members in the age groups 25-39 and 40-64 were the persons who were most affected by an increase in time spent on domestic chores.

Employment back to a new normal? Despite the large initial impacts of COVID-19, 90.1 percent of the persons who lost a job due to COVID-19 were again employed in March 2021. The level of the employment-to-population ratio in March 2021 (45.2 percent) compared to the figure for March 2020

(39.3 percent) suggests that in quantitative terms, employment has largely recovered. A possible explanation could be that after the first severe economic impact from the COVID-19 pandemic, the economy reached a new normal, in which people have returned to work. It is also possible that other external factors – for instance, the stabilization of the political environment – may have led to these unexpected changes.

The poorest households struggled to cope with increased food insecurity and difficulties due to the twin shocks of COVID-19 and Easter flood

Household sources of income are somewhat restored to pre-pandemic level. The results from SEIA-2 suggest that the dramatic decrease in the sources of income for households that occurred during the first months of the pandemic have come to an end. The various sources of income for households seem to have been restored to the pre-pandemic level. However, this does not mean that the level of income is back at the same level as before.

However, the coverage of social protection programmes⁴ remains low and does not fully reach vulnerable and poor groups. Although vulnerable households are receiving social protection, the coverage is relatively low and needs to be expanded for those who deserve to participate in these programmes.

- 65.7 percent of households with older persons reported that **old-age pension** is one of their sources of income. It reaches more households with persons with disabilities, female headed households, the vulnerable, and poor households.
- Only 4.0 percent of households with persons with disabilities reported **disability benefits** as one of their income sources.
- 11.4 percent of the poorest households (versus 4.2 percent of the wealthiest quintile) had an income from **Bolsa de Mãe**.
- **Veteran benefits** constituted part of household income for more of the wealthiest households (9.5 percent of the wealthiest quintile versus 4.2 percent of the poorest).

There are different patterns on household expenditures in urban and rural areas and between rich and poor. A higher proportion of poor households and households in rural areas saw their expenditures decrease (45.5 percent and 44.9 percent) while the wealthiest quintile households and those in Dili saw their expenses increase (34.4 against 34.8 percent, respectively). One of the coping strategies to mitigate difficulties was to reduce health and education costs among the poorest households.

The wealthiest households had more savings than the poorest households: About 31.8 percent of all households reported having some savings. Households belonging to the lowest quintile had the lowest percentage of savings (16.1 percent), while households belonging to the highest quintile had the highest percentage (46.6 percent). In times of major difficulties, 'spending savings' was the most prominent livelihood coping strategy (20.7 percent) among the wealthiest households.

The Easter flood also had a severe impact on household income and livelihoods. SEIA-2 clearly showed the two-pronged effect of COVID-19 and the Easter flood on the livelihoods of households.

- Almost two out of three persons saw their income change due to the Easter flood: 44.6 percent of households witnessed a moderate decrease in the level of their income, 23.0 percent saw a

⁴ Short-term emergency measures such as Uma Kain cash transfer are not covered here.

significant decline in their income, and 3.9 percent lost all income. The municipalities that saw the most significant change in income were Ermera, Aileu and Manufahi, while Oecusse endured the lowest impact on household income.

- The impact of the flood on houses and crops was devastating: 20.3 percent of all households reported that their home had been damaged or destroyed, 58.8 percent of all agricultural households had standing crops or harvests destroyed, and 9.2 percent lost livestock.

In total, 52.1 percent of households had faced at least one major difficulty in their lives during the SoE since March 2020. Households residing outside of Dili (56.3 percent versus 41.9 percent in Dili) and the poorest households (59.3 percent versus 40.1 percent of wealthiest quintile) were more likely to have experienced major difficulties in their lives. The most-cited difficulty households faced was serious illness and catastrophic health expenditure, especially for the most vulnerable households, followed by poor harvest and death of household members.

Coping strategies employed by households. Because of the economic stress placed on households by the pandemic, the flooding, and other major difficulties, 58.5 percent of households were forced to use at least one form of livelihood coping strategies.

- **A higher proportion of the poorest households (70.6 percent) had to use coping mechanisms than the wealthiest households (36.7 percent).** The most common coping mechanisms used by the poorest households were selling livestock (51.5 percent), spending savings (34.3 percent), and borrowing money (32.7 percent).
- Worryingly, **3.7 percent of households had to beg** to put food on the table. An important observation was also that about **one-fifth of all households had to reduce education and health costs**, to cope with the consequences of the pandemic and the flooding.
- There were significant variations by municipality as well. Municipalities outside Dili were more vulnerable to external shocks and had to use coping strategies. Liquiçá had the largest proportion of households using coping strategies (90 percent) followed by Ermera, Aileu, Oecusse and Manatuto, where around 75 percent of households had to use one of the coping strategies (in contrast to Dili with 44 percent).

Of the population in Timor-Leste, 41.1 percent was affected by moderate or severe food insecurity during the 30 days preceding the survey. This corresponds to individuals living in households where at least one household member has likely been forced at times during the last month to reduce the quality of their diet, due of lack of money or other resources. This higher proportion of moderate and severe food insecurity could be due to several compounded factors, including COVID-19 restrictions, increased food prices and significant damage and loss caused by Easter floods on farmlands.

- **19.3 percent of the population was estimated to be affected by severe food insecurity**, which means that household members have reduced the quantity of food consumed. As the results suggest, the impact of the measures to contain the COVID-19 pandemic (especially those restricting people and goods' transport) have amplified these pre-existing conditions.
- **The prevalence of food insecurity was directly related to the wealth of households**, that is, 51.1 percent of the poorest wealth quintiles had moderate or severe food insecurity versus 23.8 percent of the wealthiest wealth quintile. Agricultural households were more affected by moderate and severe food insecurity.

Trust and support in community was strong, yet individual well-being is lower among people experiencing livelihood difficulties

Social cohesion and community resilience play a critical role in overcoming or recovering from difficulties. **Trust in community was generally high** (75.1 percent trusted and 14.5 percent strongly trusted), and most people (72.6 percent), regardless of their socio-economic status, considered it to be improved since the SoE (more people in Dili considered trust to have improved than outside Dili).

The majority of households had received help of some kind, but the most vulnerable and poorest households were less likely to receive help. Since the SoE was declared, 68.4 percent of all households had received help of some kind. Nearly all households in Dili had received help (95.0 percent), whereas over half of households in other municipalities had received help (56.5 percent). The most vulnerable and poorest households were less likely and the wealthiest households more likely to receive help. Of the households that received help, 96.0 percent had received food support and 48.0 percent received cash support.

- **The national government was the primary source of support**, among all groups (68.3 percent of those who received help received it from the national government)⁵. Community-led support was not significant; however, this may be due to the way the question was interpreted. The church was a more common provider of support in Dili and for the highest wealth quintile. For the poorest wealth quintile and those living outside Dili, relatives were the main support provider after the national government. Friends and neighbours accounted for 6.9 percent of support providers for households that received help, more commonly for those in Dili and in the highest wealth quintile.

Overall, 78.2 percent of respondents said they felt happy the day before the interview while over 20 percent said they felt unhappy. The majority (62.8 percent) of respondents had felt tired, and around one third had felt sad (29.4 percent) or worried and stressed (31.3 percent). Respondents from flood-affected households and households that encountered major difficulties during the SoE experienced more negative feelings, indicating the psychological burden of the natural disaster on communities.

Over a third of students stopped studying or studied irregularly, due to the scarcity of printed learning materials

Continuity of education was severely impacted by COVID-19. 62.6 percent of students ages 4 to 25 who attended school before the COVID-19 SoE indicated they continued studying on a daily basis, 23.5 percent continued studying but irregularly, and 13.9 percent did not continue studying during the SoE.

The learning material used to study varied by setting and wealth. Students in rural areas and those in the lowest wealth quintile tended to use offline sources such as student workbooks, and students in urban areas (40.0 percent versus 11.5 percent in rural areas) and those in the highest wealth quintile tended to use online resources (41.9 percent versus 7.2 percent of the poorest households). Internet

⁵ The support provided by the national government does not include household subsidy or the Cesta Básica programme.

penetration is still low in Timor-Leste compared to other countries in the region, and geographical gaps in access to internet service remain large between urban and rural areas.

The main reasons students did not continue studying or studied irregularly were related to scarcity of learning materials. A lack of printed learning materials at home accounted for 52.1 percent of discontinuation of studying, and scarcity of information on available TV/radio/online resources for 8.9 percent. The proportion of students who stopped studying because they did not want to study (17.8 percent) during the SoE was high.

Students living outside of Dili were more likely to continue studying because schools were open. There were no significant differences in home study or return to school based on age group, gender, gender of household head, or social vulnerability index, but there was a statistically significant difference based on students' location. Students from other municipalities were more likely to report they continued studying than students in Dili (41.2 percent of students in Dili continued studying on a daily basis versus 67.5 percent of students outside Dili; 28.2 percent of students in Dili did not continue studying at all versus 10.5 percent outside Dili).

People were least satisfied with the response of schools during the SoE (66.2 percent satisfied with schools) compared to other institutions such as health centres, police, media, and the government.

COVID-19 resulted in missed vaccination for a sizable share of children, and missed reproductive health services for over half of women

A common reason that households were not able to access medical services when needed during the SoE was related to COVID-19 (42.3 percent). During the SoE, 60.9 percent of all households had a member that needed medical treatment; of those, 44.3 percent were able to access medical treatment only sometimes, and 1.6 percent were not able to access services at all. The reasons for not being able to access services when needed included fear of getting infected with COVID-19, travel ban/movement restrictions, and fear of getting tested. Among those who reported a decrease in service utilization, the most common reason was not directly related to COVID-19, but hinder access to health, 'health facility too far' constituted 41.1 percent.

COVID-19 symptoms were widespread, reported among 62.7 percent of all households (although not directly comparable, this is higher than in SEIA-1, which was 40 percent). The poorest wealth quintile and the most socially vulnerable were more likely to report a household member having one or more symptoms than the highest quintile and the less socially vulnerable. In addition, households that were not observed to have water or soap for handwashing were more likely to report that a household member had one or more symptoms.

Knowledge of the COVID-19 vaccine is high but not universal. Nationally, 91.7 percent of respondents said they had heard of the vaccine yet **half (50.4 percent) of respondents had concerns about receiving the vaccine.** Respondents with concerns about health side effects and death or serious illness from the vaccine were disproportionately high outside Dili, in the lowest wealth quintile, and in the most vulnerable category.

A significant proportion of households missed health services for child immunization and reproductive health because of the SoE:

- Among households with children who needed scheduled vaccinations during the SoE, **37.0 percent said one or more children missed vaccinations**, while 63.0 percent said all children

received vaccinations as planned during the SoE. Among those who missed scheduled vaccinations, 71.3 percent said it was due to the COVID-19 SoE, and 11.4 percent said it was partly due to the SoE. Children in the lowest wealth quintile were more likely to have missed vaccinations than children in the highest quintile.

- Among women who needed reproductive health services during the SoE (representing 29.3 percent of households with women of reproductive age), **51.8 percent were reported to have missed reproductive health services**, and 80.4 percent of those attributed it in part or wholly due to the COVID-19 SoE. A higher proportion of households in Dili, those in the most socially vulnerable category, and those with dwellings damaged in the Easter Flood reported missing reproductive health services. Per qualitative interviews, there is also an increase in adolescent pregnancies and marriages.

Nearly **90 percent of respondents were satisfied with the response of health facilities** during the SoE, making it the institution that satisfied the most people.

Violence against children has more than doubled.

Data from MSSSI shows that the number of reported cases of child physical abuse, sexual abuse, and rape **was 2-4 times higher in 2020 and 2021 compared to 2019**. Physical abuse cases rose from 36 in 2019 to 80 in 2020 and 143 for the first nine months of 2021; children affected are now more likely to be girls than boys, a reversal of the pre-COVID pattern. Reported sexual abuse, rape, and incest continue to be experienced only by girls. In interviews, service providers attributed the increase in sexual abuse to the fact that families were more isolated at home together.

Violence against women may be underreported. MSSSI recorded fewer cases of gender-based violence (domestic violence, rape, and sexual assault) in 2020 and 2021 than 2019. Nonetheless, in interviews, frontline protection service providers such as Uma Mahon and PNTL staff were nearly unanimous in saying that domestic violence, including against women, was more common than before. Given that referral systems appear to have functioned during the pandemic, it is likely that women experiencing intimate partner violence were less likely to report it, perhaps due to their relative isolation with abusers during home confinements and fear of contracting COVID-19 at shelters. Several other factors are likely involved as well.

There is an overall acceptance and satisfaction in the government response and recovery measures

Depending on household wealth, timeliness and usefulness of COVID-19 related information (i.e., government support and restrictions measures and health information) **varied**. Less than half of (44.9 percent) of the respondents said they received information in a timely manner (in SEIA-1, the proportion of those who received timely information was 64.2 percent), whereas the rest said they received information that was somewhat timely (36.8 percent) or too late (15.4 percent), or they did not receive information at all (2.9 percent).

- There are inequalities in access to diverse sources of information among households. Households outside Dili, the most socially vulnerable and the poorest households lag in terms of getting information from television and internet/social media; in contrast, they rely on word of mouth more than those in Dili, the least vulnerable and wealthier groups.

- Health centres were also an important source of information for different groups, especially those outside Dili.

Coverage of the Uma Kain household subsidy (\$200) and Cesta Básica was high: 95 percent of all households had received the household subsidy and Cesta Básica during the SoE while 2.3 percent received neither of these supports. For half of these households, the primary reason for not receiving the supports were 'household was not registered'. These universal support programmes benefit all segments of society.

- **56.4 percent of the households received the electricity subsidy**, the majority of which were in Dili (78.0 percent versus 51.7 percent outside Dili) and from the wealthiest quintile (90.0 percent versus 40.0 percent of the poorest quintile).
- **Participation in other employee and micro-business support programmes was low** – only 3.9 percent and 3.0 percent of households had members that benefitted from these programmes. According to the UNDP's SEIA-2 MSME survey, the awareness of these programmes among small businesses was low and the requirements and conditions made it difficult to apply, likely reducing participation.
- **The Uma Kain household subsidy was spent for basic necessities:** food and non-alcoholic drinks (96.9 percent), clothing and shoes (27.6 percent), and health and education purposes (16.9 percent). Among the households living outside Dili, 10.7 percent spent it on housing and utilities and 6.4 percent on phone and internet credit. The poorest households were more likely to spend the subsidy on health and education, housing utilities and clothing and shoes compared to the wealthiest households.
- Overall satisfaction with **Cesta Básica** was high with 8.9 percent very satisfied, and 70.1 percent satisfied. The respondents were most satisfied with the quantity of items in the basket or the voucher allowance.

Satisfaction with government response on COVID-19 was relatively high (11.1 percent were very satisfied and 65.8 percent satisfied). Men were overall slightly more satisfied than women with government, and respondents in the poorest households were less satisfied than those in the wealthiest quintile, except with regards to school. Those aged 15-24 were less satisfied with schools compared to other age groups.

Recommendations

During the entire COVID-19 pandemic period, the Government of Timor-Leste has taken proactive measures to protect the population from spread of the virus and has implemented concrete steps to counteract the worst socio-economic consequences of twin shocks. While the COVID-19 crisis has exposed stark inequities that existed before the pandemic, it has also provided an opportunity for the Government of Timor-Leste to reconsider and re-prioritize resilience to climate, health, and economic shock in the framework of the economic recovery plan. The Government of Timor-Leste implemented an unprecedented package of interventions through its Economic Recovery Plan. Using the SEIA-2 findings, a series of recommendations⁶ for policymakers to consider in developing strategy for a robust socio-economic recovery from the COVID-19 pandemic are proposed below.

1. Implement a variety of household livelihoods schemes

- **Direct injection of cash such as Uma Kain household subsidy is the most popular and needed emergency support.** Using existing social protection schemes could be an effective way to reach the most vulnerable groups. The Government should continue implementing modalities such as short-time work schemes (cash for work) and establish unemployment benefits. Consideration should be made to ensure inclusion of different groups and reduce unintended consequences of exclusion. For example, women are at a disadvantage in receiving these financial supports. Because of their higher rates of informal sector work, own-account employment, and contributing family member employment, women are less likely to receive the support for workers.
- **Ensure accessibility of markets and establish temporary marketplaces between municipalities when a sanitary fence is enforced.** Because about 80 percent of economic activity takes place in or near Dili, exchanges between the capital and rural areas are important and must be weighed against the risk of spreading COVID-19 by people traveling from Dili to other municipalities. It is important that access to the local and regional markets is completely restored for small farmers in the rural areas.
 - As the effect of the virus on people's livelihood is disproportional between municipalities and between socio-economic groups, special attention should be paid to those regions where the effect of the pandemic is most severe and to the most vulnerable groups in society, that have been most seriously affected by COVID-19.
- **Invest in climate-resilient infrastructure:** irrigation, rural roads, reliable and affordable electricity, as well as storage facilities, are essential for pro-poor growth and improving rural livelihoods. Inadequate rural infrastructure leaves communities isolated, holds back food value-chain development, contributes to postharvest food losses, and is significantly associated with poverty and poor nutrition.

⁶ These recommendations are complementary with those of the SEIA-2 MSME survey and therefore, do not focus on business development and MSME support.

2. Expand employment opportunities and promote decent work for all

- **The labour market needs to prepare for a rapid increase in demand for employment**, in view of the current age composition of the population of Timor-Leste. In the years to come, the young age cohorts that become part of the working-age population (15-59 years) will be more than five times as large as the old age cohorts that move out of the working-age population.
- **Access to employment particularly needs to be improved for specific population groups** – persons with disabilities, women, and young adults. Special efforts should be made to provide paid, decent employment for young persons. The study showed that the paid employment to population ratio is very low in the age-groups below age 30.
- **Recognize, reduce, and redistribute unpaid domestic and care work.** The Secretary of State for Equality and Inclusion and relevant government agencies should provide technical support to line ministries in integrating policies to recognize the value of domestic work as part of the National Employment Strategy (2017-2030). Gender-transformative social norms and equitable sharing of unpaid care and domestic work between men and women should be promoted.
- **Prepare skilled labour force for the modern markets:** Rural entrepreneurship and employment diversification, especially for women and youth, should be promoted through development of general skills, such as those related to running a business, accessing market information, and using information, communications and technologies. A more skilled labour force enhances agricultural productivity, creates better paid jobs and stimulates the growth of high-productive off-farm services industries.
- **The economy of Timor-Leste needs to be diversified.** At present, the labour market is dominated by employment in the agricultural sector with generally low productivity and poorly paid employment. Economic activities in the industry sector should be expanded to enhance job creation, especially for women, and the national product.
- **Employment opportunities need to be improved.** According to the SEIA-2021, only 45 percent of the working-age population is engaged in paid employment, whereas an additional 16 percent is engaged in subsistence activities. The quality of employment – in terms of level of remuneration and productivity – needs to be improved.

3. Expand social protection to target the vulnerable and poor individuals and households

- **The implementation mechanisms of the General Social Security Scheme need to be further strengthened.** Social protection schemes, especially the old-age pension currently reaches vulnerable and poor individuals more than wealthiest households, but its coverage should be increased. Disability benefits should be significantly widened to reach eligible individuals who are currently left out from the benefits. Other schemes for supporting vulnerable groups' needs should also be widened and improved for effective recovery.
- **Promoting social cohesion and investing in community-led resilience and response systems:** Social protection initiatives should be designed from the perspective of a bottom-

up/community-based approach using local networks to respond to immediate COVID-19 impact at the national and sub-national levels.

- **People with disabilities:** Ratify the Convention on the Rights of Persons with Disabilities (CRPD) and involve people with disabilities in development and economic recovery planning. Increase technical and financial investment in social inclusion initiatives and policies targeting the needs and rights of people with disabilities.
- **Social protection and closing the loops in local economies:** Social protection in the forms of food aid, cash transfers and inputs is crucial to smallholders' risk management during emergencies and rural transformation and for building resilient rural livelihoods. In a recent positive trend, social protection programmes link social transfers to the promotion of rural employment and agricultural production.

4. Transform climate-resilient food systems and agriculture services

- **Food and agriculture related services should be considered essential services under the SoE.** This will help reduce the disruption to agricultural markets and value chains throughout sanitary fences and mandatory home confinements.
- **Disparities between regions** and the important role played by subnational stakeholders during the crisis may accelerate the decentralization process and give more consideration to territorial approaches and local agri-food value chains.
- **The COVID-19 crisis has the potential to play a catalytic role in accelerating agri-food systems' transformation in Timor-Leste.** In the short term, this transition may be based on green value chains development, rural livelihoods' diversification, universal access to basic services (including water, sanitation and hygiene), and enhanced agricultural practice (e.g. adapted mechanization, sustainable plants and livestock protection).
- **Climate resilient and green food value chains:** Any sustainable and long-lasting recovery efforts in Timor-Leste need to be intrinsically linked with climate resilience. Stimulate investments for greener and climate resilient food value chains to address the short-term disruptions to food systems caused by COVID-19, while laying the foundation for an inclusive, green and resilient post-crisis recovery, including by introducing sustainability conditions to financial stimulus packages and financial products and by reducing high levels of risk.

5. Strengthen equitable education services

- **Prepositioning of education materials for future emergencies should be undertaken.** For future emergencies, educational materials can be prepositioned in strategic locations such as the municipal education directorate, which enables speedy delivery to households with students.
- **The communications strategy also needs to be revisited** as "no information on available TV/radio/online resources" was one of the main reasons for discontinuing study at home despite the sensitization efforts of Escola Ba Uma by the Ministry of Education, Youth and Sports (MoEYS) and UNICEF.
- **Technology can be a game-changer,** as the MoEYS offers an online platform (Learning Passport) for distance learning. MoEYS should explore the use of online devices to share the

digital learning resources that have been developed during the closure of schools. These materials can and should be used as teaching-learning resources during face-to-face teaching. It is important to make sure that phone credit/pulsa reaches all students as part of the emergency response to enable them to use the internet, while conducting training on the use of technology.

- Improve the production and distribution of printed learning materials in Tetum across the country, reaching the poorest households, and remote locations. One of the main reasons students were not able to continue studying during the SoE was lack of materials. Whilst focusing on improving digital learning, the Government should also support different platforms and methods of distance learning.
- **Support or guide materials for households in 'home schooling' should be strengthened.** The fact that nearly one fifth of all students who ceased studying did so simply because they did not want to study shows a need for the formal education system to encourage and monitor the progress of home schooling in communities. Messages for parents and caregivers on how they can support their children during home schooling should be strengthened as well.

6. Increase access to quality health services

- **Increase the number of health facilities, especially in rural and remote areas, and continue funding for mobile clinics.** The Ministry of Health has been conducting outreach services in mobile clinics integrated with community health services. Outreach services are critical to ensure the delivery of health services continues during the pandemic, especially in very remote areas with unreliable transport services to reach health facilities, as the most frequent reason for the decrease in healthcare service utilization was "no health facility nearby."
- **Continuation of efforts to raise awareness of COVID-19 related information.** A high proportion of households still have concerns about taking the COVID-19 vaccines. Advocacy and sensitization should target municipalities with a higher proportion of households with concerns and lower coverage of the vaccine. It is also important for health facilities to have a backup plan when health workers test positive for COVID-19 to ensure no disruption of the healthcare services during the pandemic.
- **Community leaders, including village (Suku) and sub-village (Aldeia) chiefs, faith-based organizations (e.g., church), and community health volunteers** are essential partners and key to ensuring that messages about the importance of seeking healthcare when sick and receiving COVID-19 vaccines reach communities. As they are knowledgeable about the local context, messages can be tailored to each community to address the concerns and questions raised by households, including fears of health side effects and death or serious illness.
- **Sustaining and investing in Open Defecation Free communities returning to open defecation.** Due to limitations in water supply and affordability of improved sanitation during the SoE, there may be communities that have returned to open defecation, as 2.3 percent of households reported deteriorated or disrupted/stopped sanitation services. A study will identify communities in need of regaining Open Defecation Free status.
- **Ensure functionality of WASH facilities in schools, health facilities, and other public locations.** During the SoE, the Government of Timor-Leste and development partners donated

and installed tanks and handwashing stations at various locations. Observation during data collection revealed that 68 percent of areas observed did not have washing facilities with water, and 72 percent of observation areas did not have soap. Assessment of the WASH facilities should be conducted to ensure water and soap availability.

- **Ensure continuous hand hygiene promotion.** During the COVID-19 response, hand hygiene has been promoted as a lifesaving behaviour. This has been a gain for conventional hygiene promotion in WASH with the target of preventing certain communicable diseases. Moreover, much investment has been done in providing hardware and supplies to facilitate hand washing with soap. Hence, resources should be allocated to continue hand hygiene promotion without losing momentum, along with regular follow up.

7. Improve protection and reproductive health services

- **Continue to ensure that protection services that respond to violence against children and gender-based violence are treated as essential services that must be funded continuously.** This includes staff salaries, as the staff are the backbone of response systems.
- **Work with Uma Mahons to find solutions to ongoing transportation issues.** The need to protect survivors' privacy and prevent their exposure to COVID-19, along with interruptions to public transportation, means that government and/or private vehicles and fuel should be made available for staff.
- **Investigate the decrease in reported cases of gender-based violence** to address any bottlenecks in the monitoring system and understand the reasons why, if any, women are less likely to report abuse during the pandemic.
- **Strengthen the capacity of healthcare providers, local leaders, and faith leaders** to recognise violence against women and children and refer survivors. Providers should be prepared to adapt referral systems during emergencies.
- **Monitor health system information for a probable increase in pregnancies**, particularly among adolescents, and prepare health services accordingly. Supplement adolescents' access to health information during school closures. Ensure that adolescents can access family planning and receive comprehensive sexuality education to prevent unplanned pregnancies.

8. Improve the longer-term sustainability and effectiveness of government response measures

- **Ensure timely information reaches all segments of society and improve quality of communication.** The poorest and vulnerable households disproportionately lack access to timely information and communication, and outreach significantly varies by municipalities. Future government interventions should develop special strategies to reach these disadvantaged groups and municipalities, including through methods tailored for people with a variety of disabilities.
- **Strengthen community-based systems to help identify and meet the needs of the most isolated citizens** during sanitary fences and confinement periods, particularly the elderly and people with disabilities. Secure support to people with disabilities who might encounter

difficulties in accessing information about government assistance programmes or registering for government support.

- **Emergency support and social protection programmes should be improved by considering the effectiveness of the government's subsidies** during the SoE. The social protection programmes rely on local officials to interpret programme parameters and determine eligibility, leading to ad hoc or subjective decisions and targeting errors. Monitoring tends to be weakly enforced. COVID-19 emergency cash transfers present an opportunity to improve the reach of benefits to those most in need but must be designed with target stakeholder input and with attention to addressing intra-household disparities.
- **The claiming and registration process of universal income support or other in-kind support should be improved.** In the context of the current pandemic crisis, it may be time to scale up minimum-income benefit programmes. It is important to ensure better accessibility than before the crisis for poor and vulnerable groups, women, persons with disabilities and others. The GoTL should explore the feasibility of implementing short-term universal income schemes in future emergencies.

9. Promote national data systems and capacities and digital technologies

- **Build national data and statistical systems and capacities to inform decision-making, planning and investment.** A national programme or a strategic plan dedicated to strengthening national data systems and capacities should be developed and implemented by the Government. This will clarify and strengthen the institutional structure and ensure adequate funding to support data systems and capacity building, regular and coordinated processes of data production and collection (ensuring sex, age, and disability-disaggregated data), quality assurance, dissemination, and use.
- **Accelerate digital transformation.** This could be done through:
 - Promoting public and private stakeholders to build a more equitable and inclusive digital economy, through tax policies, licensing requirements and investments.
 - Supporting digital education of the population to ensure meaningful use of the Internet.
 - Extending digital technologies to remote areas, which can be a cost-effective way to connect rural-urban supply chains and redress pockets of informality and poverty in rural areas.
 - Support the Government in using ICT solutions to increase efficiency and improve coordination, reduce time spent in accessing government services and build infrastructure for national data systems. Continue initiatives such as 'Portal Municipal' to support data literacy and citizens' participation at local level.
 - A systemic change is required to fight disinformation and reduce the risks of disinformation (as the case of COVID-19 vaccine disinformation shows).

Finally, it is important to emphasize that one-off measures and quick fixes will only provide temporary relief. The worst effects of COVID-19 can be minimized if the country leadership commits to a new social contract and implements forward looking and comprehensive programmes to tackle critical tipping points to lift the population from multi-dimensional poverty traps.