



EXECUTIVE SUMMARY

SOCIO-ECONOMIC IMPACT ASSESSMENT OF COVID-19 IN TIMOR-LESTE

UNITED NATIONS TIMOR-LESTE, 2020



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Translators

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BACKGROUND

COVID-19 is a global pandemic requiring varying degrees of countermeasures to prevent the further spread of the virus. In response to the threat, the National Parliament of Timor-Leste authorized the President of the Republic to declare a State of Emergency (SoE). Government approved by the Council of Ministers on 28 March 2020 with an end date of 26 June 2020. Accordingly, the Government of Timor-Leste (GoTL) imposed various actions such as domestic and international travel restrictions, closure of schools and physical distancing.¹

To date (26 August 2020), Timor-Leste has contained the spread of COVID-19 relatively well, recording 26 positive cases with no community transmission identified and no fatalities. Rapid containment measures undertaken by the GoTL and the country's relative geographic isolation have contributed to maintaining this low level. However, the country's dependence on agricultural production, high levels of persistent multidimensional poverty, unemployment and chronic malnutrition, lack of basic infrastructure, dependence on exports, and unequal access to essential services mean the ongoing socio-economic impact of the pandemic could be severe. According to the United Nations, the pandemic poses risks 'by directly reversing the hard gains made by countries toward the Sustainable Development Goals (SDGs), and impacting severely the existing infrastructure and services'.²

To understand the extent of the impact on vulnerable groups, poor households, and Micro-, Small and Medium-sized enterprises (MSMEs), the United Nations system in Timor-Leste conducted the rapid Socio-Economic Impact Assessment (SEIA). This assessment observed changes in livelihoods, employment, food security, healthcare, education and other basic services, including social protection and gender equality. In addition, it monitored variations in supply, demand, income and employment for MSMEs as a result of the GoTL measures. Information about the major challenges faced by various government agencies, non-government organizations and their response were also collected. The assessment can be used for informing socio-economic response and recovery programmes in Timor-Leste.

METHODOLOGY

The data collection for the SEIA covered the period between 22 June and 14 July 2020 in the municipalities of Baucau, Bobonaro, Dili, and Viqueque and Special Administrative Region of Oecusse (Oecusse). The SEIA used a mixed methods approach:

- For the household survey, 13 *sucos* were selected based on geographic, socio-economic status and health service accessibility criteria. Then a two-staged stratified random sample was used. **Face-to-face interviews with 419 households (after weighting, 437 households)** with 2575 members (after weighting, 2834 members, **of which 18 percent were female-headed**) were conducted via CAPI (computer-assisted personal interview) method. It should be noted, the results are not nationally representative and can be generalizable only at the sampled *sucos* level. As households in the sample had

¹ Government Decree No. 3/2020 of 28 March - Implementing Measures of the Declaration of the State of Emergency Made by the Decree of the President of the Republic no 29/2020, of March 27

² United Nations. June 2020. Brief #2: Putting the UN Framework for Socio-Economic Response to COVID-19 Into Action: Insights, p.3

different probabilities of selection, normalized weights were calculated based on the reversed probability of selection of each household. All information presented in this report is based on weighted statistical results.

- For the MSMEs survey, a total of **99 MSMEs** from 15 different industries including agriculture, tourism and construction were interviewed using the CAPI method. Responses reflect the dominance of men across MSMEs, with business owners responding to the MSME questionnaire (71 percent male and 29 percent female) and more men than women participating in the key informant interviews (83 percent male, 17 percent female).
- A total of **40 key-informant interviews** were conducted from service providers, government stakeholders, MSME owners, development partners and community leaders. The interviewees were from health, education, agriculture, social protection, state administration at national and local levels, justice, gender equality, finance and private sectors.

The SEIA differs from other studies conducted concurrently in Timor-Leste by highlighting the following:

- Providing an indication about how the COVID-19 crisis affected **vulnerable and non-vulnerable households** based on household members' characteristics related to 'pre-existing marginalization, inequalities and vulnerabilities'.³ Out of the 437 households included in this study, 60.7 percent (267) can be characterised as vulnerable. For example, in defining vulnerabilities related to disabilities, detailed questions⁴ were put to each of the 2575 household members.
- Analysing the differing impacts of the crisis by **households' wealth** between poorest (lowest wealth quintile) and relatively well-off (highest wealth quintile) as well as identifying differences based on **the household head's** gender.
- Quantifying the extent of the impact on a wide range of aspects, both at the **individual and household levels** among the survey population. This provides an understanding of the **intra-household inequalities** with regards to domestic work, income and receiving government COVID-19-related subsidies as well as an examination of **the pandemic's gender dimension**.
- Covering remote *sucos* and *aldeias* where data were collected in-person allowed comparison between Dili and municipalities outside Dili, and observed the potential **geographic inequalities** in COVID-19 response measures and impact.
- Examining the impact of the crisis **on MSMEs** regarding service provision, supply chain stability, shifts in employment and future economic uncertainty.
- Government and non-government organizations' response and challenges in **delivering essential services and implementing COVID-19 measures** and their implications for further recovery programmes.

³ United Nations. April 2020. A UN framework for the immediate socio-economic response to COVID-19. United Nations

⁴ The Washington Group on Disability Statistics. 23 October 2017. The Washington Group Short Set on Functioning: Question Specifications.



MAIN RESULTS

This study highlights how the COVID-19 crisis has magnified many of the underlying vulnerabilities within the country including lack of basic infrastructure, climate hazards, limited access to services as well as ongoing budget and political impasses. COVID-19-related negative impacts on small-scale farmers, people living in remote areas and urban settlements, and MSMEs, have been exacerbated by these compounding climate, development and governance factors. Intra-household inequalities have deepened, specifically regarding unpaid care work, with the burden carried by women. The poor and vulnerable households are among the worst hit by the COVID-19 crisis. Across results, where there is no breakdown by gender, the findings did not show significant differences between women's and men's experiences.

Important social and economic impacts of COVID-19

Key findings on the social and economic impacts of the COVID-19 crisis on poor and vulnerable groups and the general population were the following:

1. **Household income** – income was reduced for the majority of individuals (both women and men), households and MSMEs, in particular for the youth, older people, vulnerable and poor households.
 - a. **There was a drastic reduction in the number of persons with any form of income before and after the SoE.** Almost 59 percent of people who had an income prior to the crisis, had lost it during the SoE period covered by the survey. Similarly, **at least 81 percent of the MSMEs reported a varying loss of earnings.**
 - b. The percentage of households without any form of income has increased considerably in just a few months. **More than half (56.6 percent) of all households have had to survive without revenue** as of July 2020, compared to 18.3 percent before the SoE.
 - c. Among the 295 people who retained their earnings during the SoE, **55 percent reported their income had decreased.**
 - d. **A larger number of men had an income compared to women before the SoE.**
But they **lost their earnings more severely** during the SoE, and now the numbers of men and women with incomes are similar.
 - e. Number of **vulnerable households without an income** increased four times (from 46 to 185 households). The increase is noticeable for all types of vulnerabilities.
 - f. **'Kiosks and small trading' were among the most common sources of revenue** before the SoE and continued to be so, even after the SoE. **Women are more actively involved** in this type of economic activity, and their role during the SoE in coping with negative economic shocks was important.
2. **Employment** - At time of writing, SEIA is one of the few studies that measures how many people lost their jobs or what changes occurred in people's jobs within the study participants. The SEIA found **22.6 percent or at least 1 in every 4 households had someone in their household who lost their job because of the COVID-19 pandemic.** This shows their vulnerability; when an individual member loses a job, the household

- loses all of its income. Many households, especially those with limited financial resources, are in no position to cope with this loss.
- a. The number of people earning their **primary income from self-employment dropped by 85.0 percent, where self-employed men were hardest hit.**
 - b. Almost **50 percent of all employed people had experienced changes** in their work because of the COVID-19 crisis. The most important change was that **for 17 percent of working persons in the survey, economic activity had stopped completely. Women encountered this change more frequently** than men (23.1 percent versus 12.5 percent respectively).
 - c. Common reasons for these changes were cited as 'activity forbidden by SoE' (76.4 percent) and 'could not go to work due to travel ban' (53.3 percent). As key informant interviews reveal, information regarding which activities the SoE had banned might have been unclear to some, especially during the first SoE.
 - d. Among the survey areas, youth unemployment was extremely high. **Only 12.3 percent of persons between 15 and 29 years of age were at work** during the week before the interview. Among **those living with a disability, 83 percent were economically inactive.** There were **significantly more women than men among the economically inactive** persons who are not full-time students, **due to household work and providing care to others** (17.4 percent for women in contrast to 2.3 percent of men).
 - e. During the COVID-19 crisis, the impact on employment was felt more strongly in municipalities outside the capital, Dili.
3. **Major difficulties** - Limited access to **market and disruption of public transportation** were the main channels through which the pandemic **impacted households (32 percent) and businesses (77 percent).** Following these issues, **weather and environmental shocks** such as heavy rains, floods and drought were prevalent (36.7 percent), making it especially difficult for households outside Dili to cope with the income shock.
- a. The impact of weather and environmental shock is especially significant for households involved in agricultural production. **86 percent experienced a major negative impact in their production** during the SoE. The most common difficulties cited were standing crops destroyed (31 percent), livestock loss due to diseases such as African Swine Fever (27.7 percent), crop disease/pests (26.6 percent), and unexpected rainfall and weather conditions (20.3 percent).
 - b. The difficulties mentioned by households reveal the compounding factors of COVID-19 measures with the existing negative shocks related to climate change.
4. **Domestic work and childcare** - The results show a **disproportionate increase in women's time spent on domestic work compared to that of men.** 34 percent of women compared to 20 percent of men indicated that they spent more time on one or more of the six household chore activities.
- a. Eighty-three percent of the households indicated there was an increased responsibility for childcare.
 - b. **Overwhelmingly (almost 80 percent), mothers and other female members were identified as the primary caregiver for children during the SoE,** which impacts women's ability to maintain or seek livelihood opportunities.

- c. Accordingly, when asked how the respondents were feeling the day before the interview, more women (74 percent) than men (56 percent) reported that they felt 'tired' to a certain extent.
5. **Food security** - Timor-Leste faces high levels of food insecurity. Up to 70 percent of its rice consumption needs are met through imports. As the study results suggest, the impact of the measures to contain the COVID-19 pandemic (especially those restricting the movement of people and the transportation of goods) have amplified these pre-existing conditions.
 - a. **Eighty percent** of the households had at least one type of food security related difficulty in one month preceding the interview.
 - b. Results show that **37.6 percent of the participating households were affected by moderate or severe food insecurity**. This corresponds to individuals living in households where at least one member reported being forced at times during the last month to reduce the quality of their diet due to lack of money or other resources.
 - c. More households in the lowest wealth quintiles 'had to skip a meal' (21.4 percent versus 7.9 percent) and 'ran out of food' (42.8 percent versus 22.3 percent) in contrast to highest wealth quintiles. Furthermore, among the households that 'ran out of food', 79.5 percent were vulnerable.
6. **Coping strategy**- Overall, **85.5 percent of all households employed at least one form of coping strategy during the SoE** to protect themselves from the economic consequences of the pandemic. Even those who are not affected strongly in terms of income and expenditure are generally taking measures that often contribute to contracting the economy (for example, by reducing essential and non-essential spending).
 - a. The most common coping strategy was to reduce essential non-food spending (61.7 percent of households) on transportation, health, education, sanitation and basic utilities. This may jeopardize the household's future capacity to maintain its well-being.
 - b. More **households in municipalities outside of Dili, lowest wealth quintile, female-headed and those with an informal worker tended to adopt coping strategies**.
 - c. For nearly half (49 percent) of surveyed **MSMEs, the main coping method was indefinite closure** while they waited for more certainty about the situation.
7. **Collective resilience measures** were undertaken showing high levels of social cohesion to overcome difficulties. The majority (96 percent) of respondents indicated they feel satisfied as part of the community.
 - a. Trust in the community is high and according to the majority of respondents, **trust was classed as 'better' (45 percent) and 'much better' during the SoE (15 percent)**.
 - b. Of the 439 households, **47 percent had received support** from outside their household while **27 percent had helped others** during the SoE. Seventy-two percent of the respondents stated they received support from the government though other means, including the private sector, while friends and relatives still played an important role in helping communities.
 - c. The most **common forms of support were cash, food and PPE** (e.g. masks, handwashing and cleaning materials). Overall, the highest wealth quintile had

received more support in terms of cash, food and emotional support in contrast to the lowest wealth quintile.

- d. Despite a myriad of obstacles, MSMEs in Timor-Leste remain resilient. **71 percent of the MSMEs surveyed remain optimistic for the future of their businesses**, 21 percent were neutral and 8 percent were pessimistic.

8. **Impact on MSMEs** - Although some businesses were able to supply goods and services for COVID-19 response demands (such as those selling PPE), the majority of businesses reported negative impacts. MSMEs stated that the first and second months of the SoE had the biggest impact on their businesses, while the third month alleviated some strain and allowed them to begin operating again, although in a limited capacity.

- a. The **majority of MSMEs interviewed (81 percent) reported a loss of income during COVID-19**. They cited this result as a combination of limited market access, supply chain disruption and changes in demand.
- b. Due to drops in income, **many businesses (26 percent) also reported difficulty in paying staff wages and tried to cope by reducing staff hours** or suspending their contracts temporarily. Employers expressed great concern over their inability to support their regular employees.
- c. **More women were terminated (61 percent, compared to 39 percent of men)**, both as a set of all those dismissed, and as a proportion of the women employed before the pandemic (13 percent of women and 3 percent of men lost their jobs by this measure).
- d. **Supply chain disruptions on MSMEs** - Outside Dili, MSMEs saw a significant increase in the time it took to receive supplies (35 percent outside of the capital, 8 percent within). Almost one third of respondents (33 percent) reported difficulty in accessing goods domestically, again with a wide gap between those outside Dili (25 percent) and in Dili (7 percent).
- e. **Drop in demand** - 65 percent of businesses outside Dili and 18 percent of those in Dili reported negative change in demand.



Services needs of the communities and MSMEs

The GoTL reacted quickly and established a dedicated coordinating body to respond to COVID-19 and maintain essential services. Despite budget challenges, the government allocated funding to finance economic stimulus, food security, continue essential services, movement and trade. The role of international organizations and NGOs was also notable as the key-informant interviews revealed. The SEIA found the GoTL's COVID-19 measures were generally responsive to the needs of various groups, although individuals who faced multiple forms of vulnerability (e.g. women with disabilities in rural areas, informal men workers in lowest quintile, etc.) were most likely to face challenges in accessing available support measures.

9. **COVID-19 risk communication** - It was largely responsive to the needs of the respondents. The GoTL in partnership with various international and non-government organizations undertook extensive COVID-19 risk communication, even reaching those in remote areas through visits and loudspeaker announcements.
 - a. **90.7 percent of all participants said they received timely or somewhat timely information** while 87.1 percent agreed that the information they received relating to COVID-19 was easy to understand.
 - b. As a result, **70.7 percent of respondents reported they were washing their hands and 69.6 percent were wearing a mask**. Although not statistically significant, more women reduced family visits, stayed at home, kept one-meter distance and avoided public space.
 - c. Use of various prevention methods was lower outside Dili, among the lowest wealth quintile and vulnerable households. Statistical tests showed households with water availability were more likely to use prevention methods.
 - d. Highest wealth households and those in Dili were more likely to receive information through media (TV, internet, newspaper, and SMS), and lowest wealth households and those outside Dili were more likely to receive information directly from other people (word of mouth, government officials, and NGOs).
 - e. A total of **55.9 percent of the households in this study were observed to be without water on the premises**, with Oecusse (83.6 percent) and Viqueque (71.4 percent) appearing to have the fewest dwellings with water availability.
 - f. In terms of **COVID-19-related measures and rules**, there were some reports of mixed messages from the government and police. According to key informants, several MSMEs were told directly by officers that they had to close fully during the SoE. Others reported that employees were turned away at police checkpoints for having two people on a motorbike.

10. **Most important services rated by respondents** - Three services that the respondents were most satisfied with during the SoE were **electricity supply** (38 percent said the service improved), **police operations** (36 percent) and **social security** (22 percent). Services said to have deteriorated or suffered disruption during the SoE were **food markets** (35 percent), **transportation** (33 percent) and **education** (38 percent). Two of the areas that the respondents identified as **most important** (food markets and the supply of drinking/cooking water) were also cited as most interrupted during the SoE.
 - a. At the opposite end, the social security service (specifically, government emergency cash transfer), mentioned by 20 percent of people as their most important service need, was rated as improved during the SoE.

- b. There was a difference in the service needs between vulnerable and non-vulnerable households. Vulnerable households prioritised further improvement of social security services (21.8 percent versus 9.9 percent among non-vulnerable) and supply of drinking water (33.2 percent versus 23.9 percent). Access to food markets was a priority for non-vulnerable households (50.7 percent versus 29.7 percent vulnerable).
 - c. The disruption in services might have a **disproportionate impact on women and girls** due to their roles in the markets and reliance on public transport compared to men. They might also be affected by their caregiving responsibilities when schools are not in operation and because they play a key role in household water collection and management.
11. **Access to health services - 14 percent** (40 households) of 284 households with children below 10 years of age **missed a vaccination; 24 percent of** 156 households who have women aged 15-49 had **missed family planning** or reproductive-health services; of the 79 households which had a member with a health problem (of whom 90 percent were vulnerable households), **72 percent had used a health facility. Forty-seven percent of participants said their household's use of health services increased** while only nine percent said it decreased during the SoE.
 - a. Key informant interviews on missing vaccinations and family planning or reproductive health services suggest the reasons could include the repurposing of community health centres for COVID-19 readiness, interruptions to public transportation, restrictions on movement and a lack of face masks.
 - b. Health service needs varied slightly between Dili and other municipalities as well as between female and male-headed households. In Dili, the reported priority was to improve COVID-19 containment measures, such as refining quarantine facilities and stricter border controls. While in other municipalities, it was increasing availability of PPEs and establishing health facilities.
 - c. For female-headed households, increasing availability of medicine and PPEs, providing health services through home visits and implementing targeted health programmes for vulnerable groups were more important.
12. **Education services - Overall, 54.5 percent of respondents said their children continued education while schools were closed** during the SoE, but 44.5 percent said they did not. The **most common reason children did not continue education was the hope that 'children will catch up after going back to school' (26.1 percent)**, followed by a reported lack of learning materials at home (20.8 percent) and 'no one available to help the child study' (17.2 percent). **For children who continued their education, the highest percentage reported to have studied alone (85 percent)**. Watching educational shows on TV (28.4 percent), home-schooling (27.4 percent) and use of online courses/materials (21.6 percent) were other forms of continued learning.
 - a. A majority (82 percent) of the households whose children did not continue education were vulnerable and one-third (32.5 percent) were from the lowest wealth quintile.
 - b. There was a statistically significant difference between female and male-headed households. **Children in female-headed households were more likely not to continue education.**

- c. A higher proportion of children in households in the highest wealth quintile, non-vulnerable households and in Dili, watched educational TV shows (*Eskola ba Uma*), accessed online courses and materials, and did exercises set by the teacher and home-schooling.
 - d. When asked what their main activities were during the SoE, the most common responses stated 'staying at home studying' (44 percent), 'staying at home playing' (24.4 percent) and 'staying at home helping with household chores' (23.4 percent). Although only indicative, the proportion of children helping with household chores was highest in Oecusse (67.6 percent).
13. **Food and agriculture related services** - were not considered essential under the SoE so there has been a massive disruption in the functioning of agricultural markets and value chains during the SoE, particularly in the first month. While the impact of this disruption on people's diet is partly captured by this SEIA (and other surveys), the impact on the planting season and upcoming harvest is yet to be assessed.
14. **Services to support livelihoods** - When asked by households what are the main ways the Government **should** help sustain their livelihoods, **food, drinking and cooking water, social security and electricity supply were said to be the most important**. These areas are the ones GoTL is focusing on already and will continue implementing in the coming years.⁵
 - a. For female-headed households, measures to support **food availability** and programmes targeting vulnerable groups were most important, whereas for male-headed households, providing financial support was crucial both for themselves and for those in need.
 - b. For vulnerable households, those in the lowest wealth quintiles and in municipalities outside Dili, measures such as 'improve basic services and infrastructure' (especially water and electricity), '**provide building materials for the house**', and '**provide support aimed at target groups**' were cited as more important.
 - c. For the highest wealth quintile and non-vulnerable households, improving **credit and loan support** as well as **COVID-19 transmission prevention** were priorities.
15. **Social protection services** - The Government emergency cash transfer programme targeted households **based on their level of income** (not on their activity or livelihoods) so there has been no specific credit or financial package for smallholder farmers or labourers in the informal sectors. These groups are known to be particularly vulnerable to economic shocks and their long-term food security is likely to be disproportionately affected by the COVID-19 crisis.
 - a. Government figures highlighted that men were the majority of household representatives (80 percent) to receive the payment. Further observation suggested that the registry of households excluded women in shelters and other individuals who were not recognized by their local authorities. Payments under other social protection schemes were not conducted during the cash transfer process and more analysis is underway to monitor the experiences of different groups.

⁵ Government Resolution No. 12/2020 of March 31 - Policy for Reducing the Negative Economic Impact and Economic Recovery Following the Pandemic of COVID-19.

- b. The GoTL also announced an extraordinary allowance of 60 percent of income for employees. However, to receive these benefits, employers were required to apply to the National Institute of Social Security documenting the list of their workers with suspended contracts or reduced hours as well as a declaration regarding the veracity of the information. These benefits were not, however, accessible by all qualified businesses and employees. Registration could only take place at the National Institute for Social Security, which is in Dili. Those who reside in other municipalities would have had to travel to the capital to register. As many live in remote areas or are unable to travel, and with the SoE directly restricting domestic travel, it precluded many eligible recipients from benefiting.
16. **Protection services** - Information gathered by the SEIA on violence against women and girls is consistent in that reports might not change significantly due to access barriers. But as with other countries, it is likely that there will be a future rise in demand for emergency shelters and psychosocial support for survivors of domestic abuse.⁶ **Response services must be recognised as essential and be provided with resources to maintain operations during the recovery period.** Households continue to face economic and social stressors, which contribute to domestic violence, including violence against children. Based on information available from members of the Gender and Protection Working Group, essential services that remained operational to support survivors of gender-based violence include:
- **9 shelters** for women and children (including those with disabilities)
 - **5 Safe Spaces, Fatin Hakmatek**, operated by PRADET, funded by the Government of Australia through Nabilan, which are 'One Stop Shops' with comprehensive services, including temporary accommodation. The safe spaces are based at referral hospitals where there are Courts (in Baucau, Dili, Suai, Maliana and Oecusse).
 - **Legal Assistance** (provided by Alfela) in 5 municipalities (same locations as above)
 - Information on the impact of COVID-19 on operation of government services for survivors of violence (Vulnerable Persons Unit, Women and Child Protection Officers, etc.) was not available as of 31 August and will be an area for future monitoring.
17. **Services needs to support MSMEs** - Considerations shared by the MSMEs were **financial assistance** such as small loans, grants or other agricultural inputs (to purchase and prepare the goods they need to restart their business), **opening the borders** for importing supplies, **tax relief** to relieve the loss of income, **clear communication** about rules and guidelines, and the **maintenance of essential services including market access or alternative sales methods such as direct delivery to communities.**

⁶www.unwomen.org/en/news/stories/2020/4/statement-ed-phumzile-violence-against-women-during-pandemic



Who is currently and likely to be impacted?

We were able to construct a wealth quintile index based on information gathered about households' assets and ownership. Using this, we could analyse the impact by lowest and highest wealth quintiles. The SEIA results indicate COVID-19 SoE measures have negatively impacted **the lowest wealth quintile** in most areas and COVID-19 prevention measures have reached the groups disproportionately. Households in the lowest wealth group lack different types of resources compared to the highest wealth quintile in the study - physical resources (housing conditions, lack of access to water), financial resources (less access to savings), human resources (in terms of education and employment) and social network.

Vulnerable households (i.e. households that have at least one member belonging to a specific vulnerable group) have been negatively impacted. Most notably, households with specific types of vulnerability saw a considerable increase in loss of livelihood. In addition, the SEIA shows the pre-existing precarious conditions of these groups. Hence, the socio-economic status of these groups can be worsened by COVID-19 measures compounded with other external factors such as environmental shocks, disruption in basic services and being marginalised further. The vulnerabilities found in the SEIA:

- The **vulnerability of older women is demonstrated by their much higher percentage of widowhood**. Among all women 65 years of age and older, 63 percent were widowed, against only 9.7 percent among men.
- **Female heads of households are more likely to be unemployed or inactive than male heads of households**. Approximately 58.0 percent of households headed by women are inactive compared to 43.5 percent by men.
- Approximately 3.5 percent of the surveyed population (2834) was observed to have a disability. The data show that an overwhelming number of those who live with a disability are inactive and not participating in the labour market. The middle quintile has the most households with a disability (35.5 percent), while wealthier households have fewer members with one or more disabilities.
- In the survey, 207 people aged 60 and older were recorded (44.1 percent were men and 55.9 percent were women). In total, about 35.9 percent of households in the five sample municipalities had one or more older persons. Households with one older person are most commonly in the lowest wealth quintile, with this being the case in 30.2 percent of all households. Households with two older persons are also more likely to be in the lower wealth quintiles. Out of a total of 246 households without any income during the COVID-19 crisis and a week before the interview, 85 had one or more older members. This accounts for more than one third of all households without an income.

In most of the five municipalities included in this study, televisions (67.5 percent), internet connections (63.7 percent) and motorcycles (61.6 percent), were the assets owned by most households. Intra-household ownership is not available, but previous studies show the gender disparity and women's reduced access to these resources. Significant variation between municipalities exists, however, and **Dili households own the most items**. With televisions for example, 81.5 percent of households in Dili own one, while this fell to just 25.6 percent in Oecusse.

The assessment also revealed underlying vulnerabilities associated with location. It was found that both households and MSMEs located in municipalities outside Dili were more severely impacted than those in Dili in most socio-economic aspects. These include access to social

services and various government subsidies, information, prevention materials and equipment, basic infrastructure and water, sanitization and hygiene. The UN Framework for the Immediate Socio-Economic Response to COVID-19, cautions that the crisis will exacerbate inequalities in vulnerable settings including rural areas.

Government and development partners' measures and actions against COVID-19

There was general agreement among stakeholders that Timor-Leste has met immediate needs, such as containing the spread of COVID-19, responding to the livelihood needs of the communities and reopening economic activities within the country. However, the level of preparedness for dealing with COVID-19 differed during the first, second and third SoEs, with a lack of readiness cited during the first SoE.

Immediate response measures taken by government organisations include:

1. **Coordination and assistance** - The GoTL immediately created Task Forces between the Central Government and the Municipal Government to share information and ensure the prevention and protection measures were applied throughout the country. Various coordination groups between municipal governments and civil society organizations were also established to identify vulnerable people and to ensure that essential goods and services reached them even in the most remote areas. The cooperation between the government and organizations increased during the SoE, especially with the Task Forces created to define strategies and share information and activities in order to provide the best support to communities.
2. **COVID-19 risk communication** - Municipal government departments and other state entities were responsible for the dissemination of information in the communities for the prevention and control of COVID-19 and for ensuring that the Government SoE measures were enforced. Local NGOs working at the grassroots level were able to assist the community outreach activities, including vulnerable groups.
3. **Budget and funding** - During the SoE, the Government municipal departments had great difficulties in financing activities related to COVID-19 due to the duodecimal budget and the delay in the distribution/execution process of the COVID-19 measures. Among the interviewed organizations, the majority did not receive any more financial support during the SoE.
 - a. For most of the local NGOs, there was a lack of funding during the SoE which made it difficult to continue working with communities.
 - b. INGOs and local NGOs that receive funding from international agencies, were able to continue operations. Most organizations continued their programmes with some restrictions and adaptations due to the measures implemented by the government. But few had to stop or cancel any of their programmes.
4. **Digitalization and technology** - COVID-19 provided an opportunity for initiating a transformational way of doing business through digital disruptions.
 - a. In the case of public and non-government agencies interviewed for the SEIA, digital technology was used mainly for communication and remote training purposes. Most of the government agencies and NGOs had used WhatsApp and Facebook as a means of communication and some international organizations used Zoom. Many training sessions (mostly COVID-19 awareness modules) for government and NGO staff were conducted via video and online

conferences. However, the informants said the effectiveness of these programmes was not high.

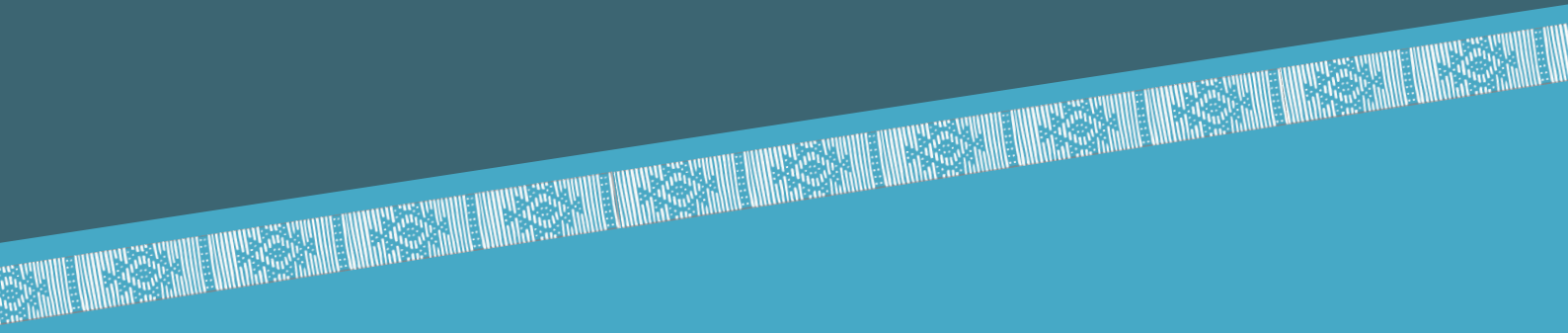
- b. No notable efforts and initiatives were mentioned by the participants (key informant interviews) in introducing digital services (such as digital payment) in key public services.
- c. Several barriers were mentioned by the participants in introducing digital disruptions within government. Lack of leadership, willingness, absence of computer literacy especially among the older employees, equipment limitations, and weak internet coverage in rural areas, constituted key challenges.

5. ***The role of partners and NGOs*** - The majority of PPE used directly and/or distributed by municipal governments was contributed by local and international organizations or agencies. The close relationship between NGOs and the local communities supported the government to reach a large portion of the population.

This summary highlights key information provided by the respondents and reveals underlying vulnerabilities faced by the population and MSMEs. The SEIA could be used by decision-makers to inform short- and medium-term socio-economic policy priorities and budgetary allocations of line ministries and municipalities. Human centric programmes such as cash-for-work, food assistance, school feeding programmes, water and sanitation investments, and protection services for the most vulnerable, should form the Government's priorities in the coming years.

It is also important to emphasize that one-off measures and quick fixes will only provide temporary relief. Well-designed, complex and medium-term poverty reduction, health, education and climate adaptation programmes, are needed to protect the population from the long-term impact of the pandemic, and to help the nation build resilience and self-reliance from within. The worst effects of COVID-19 can be minimised if the nation's leadership commits to a new social contract and implements forward-thinking and comprehensive programmes to tackle critical tipping points to lift the population from multi-dimensional poverty traps.





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