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Just Transition in Timor-Leste: Opportunities for Enterprises, Jobs and Sustainable Growth

Building a Competitive and Resilient Future through Green Investment and Private Sector Development

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A **Just Transition** means managing the shift to environmentally sustainable economies **in a way that**:

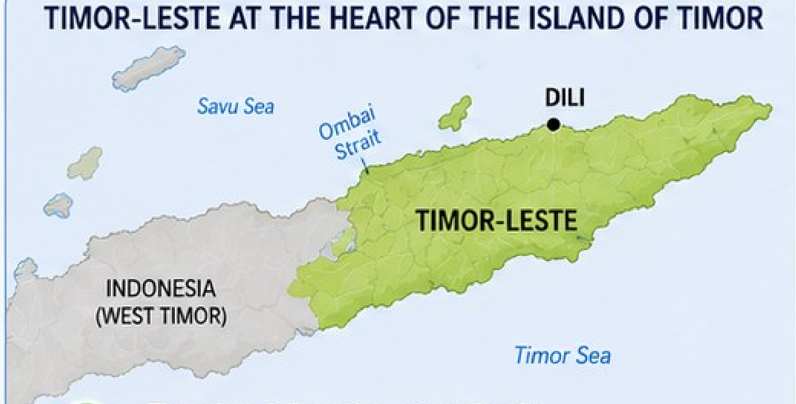
- Creates DW
- Protects Workers and Enterprises during change
- Reduces inequality
- Gives people a real voice in decision making

Grounded in social dialogue, labour rights, and international labour standards.

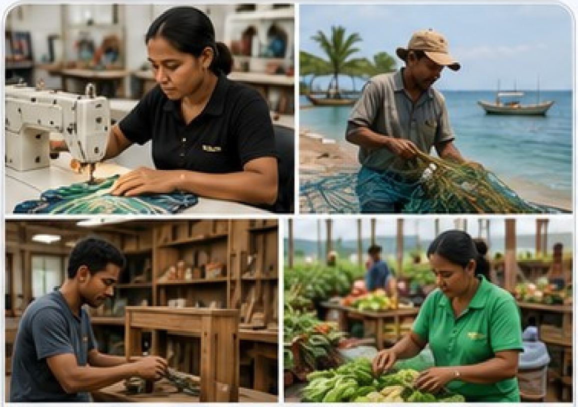
Environmentally Sustainable Economies + *Inclusivity & DW for Workers, Enterprises, and Communities* = **Just Transition**

Why a Just Transition is a Business Imperative for Timor-Leste?

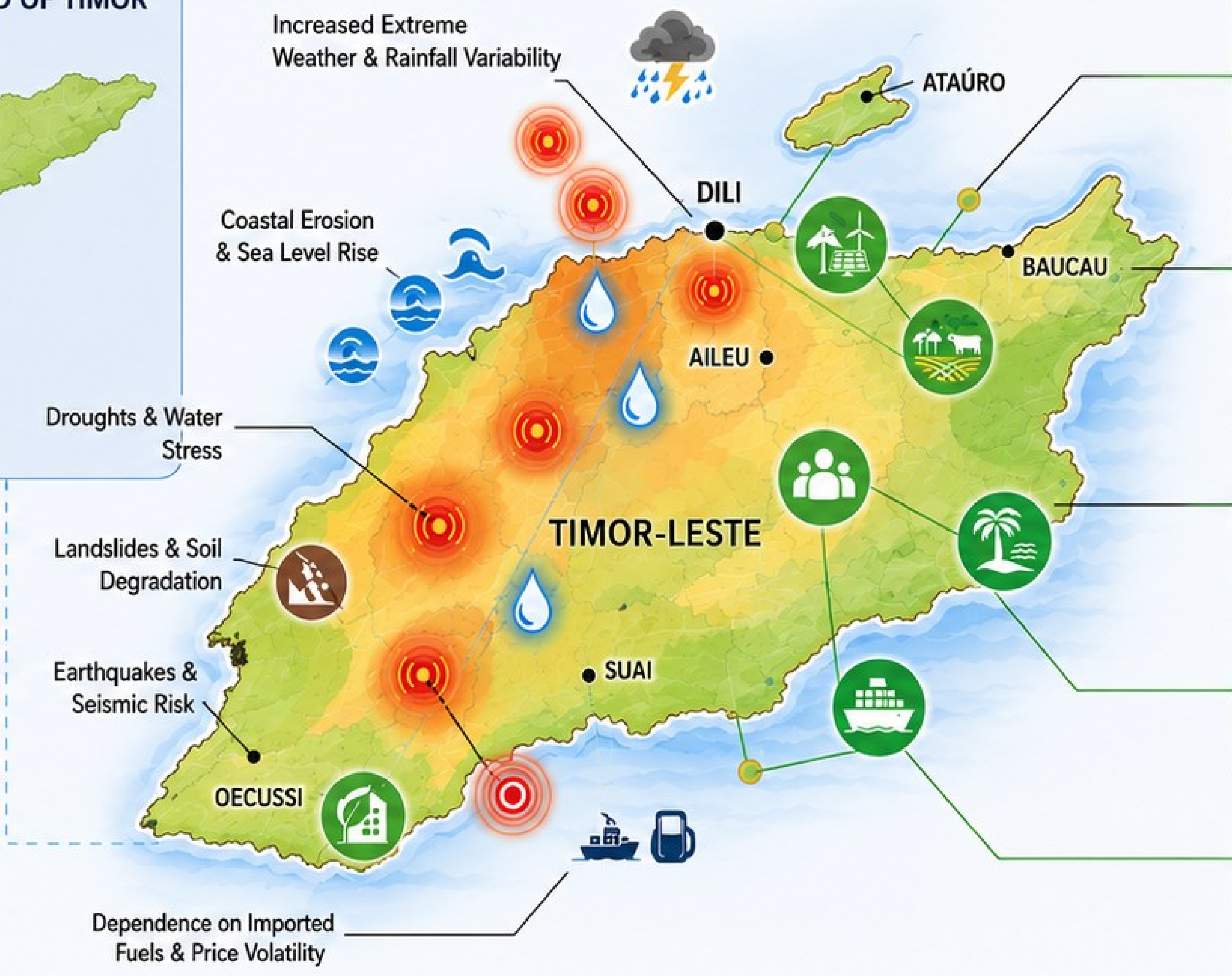
TIMOR-LESTE AT THE HEART OF THE ISLAND OF TIMOR



Timor-Leste's future is connected to the health of the whole island and the surrounding seas.



Timorese enterprises are key to building a resilient, inclusive and green economy.



Developing a Sustainable Renewable Energy Sector

Solar, wind, hydro and offshore potential to power growth and reduce costs

Building Sustainable Agriculture, Fisheries, Livestock & Agro-Value Chains

Improving productivity, food security and rural jobs

Expanding Eco-Tourism & Green Services

Protecting natural and cultural assets while creating quality jobs

Strengthening Resilient & Low-Carbon Logistics

Port, maritime and transport systems that are efficient and climate-resilient

Investing in SMEs, Skills & Green Jobs

Building capacities, innovation and decent work for a just transition

CLIMATE RISKS:

Extreme Heat · Extreme Rainfall · Coastal Risks · Water Scarcity · Landslides · Seismic Risk · Fuel Price Volatility

BUSINESS OPPORTUNITIES:

Renewable Energy · Sustainable Agri & Fisheries · Eco-Tourism & Green Services · Resilient Logistics · SMEs, Skills & Green Jobs

A just transition in Timor-Leste strengthens resilience, creates jobs and builds a competitive, sustainable economy for today and future generations.

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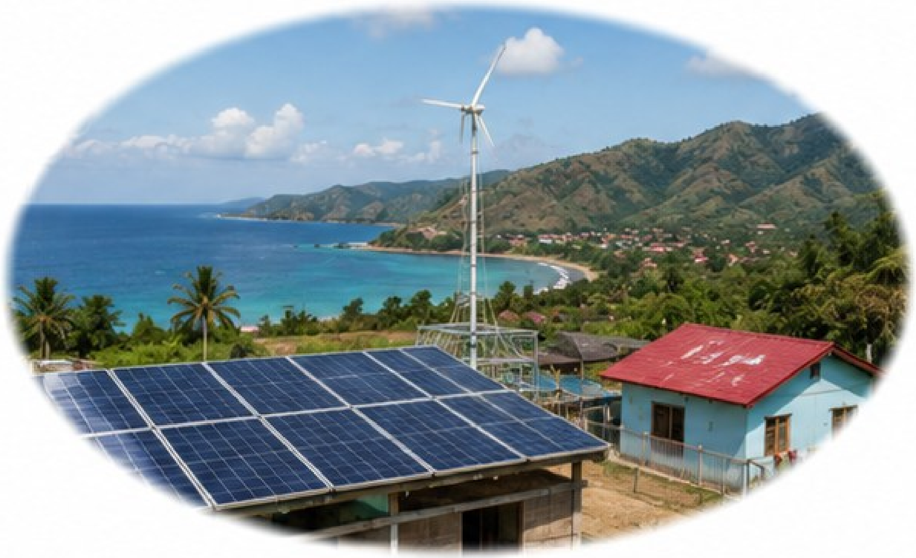
The Triple Transition Pressure on Timor-Leste Enterprises

Three simultaneous pressures reshaping competitiveness in the transition towards a green economy in Timor-Leste

Pressure 1, Physical Climate and Environmental Pressures



- **Increasing frequency of extreme weather events,** including floods, droughts and rainfall variability
- **Coastal erosion and sea-level rise** affecting **infrastructure**, tourism and coastal livelihoods
- **Growing water stress and resource constraints** affecting agriculture and local production systems
- **Landslides and environmental degradation** disrupting transport, connectivity and supply chains
- **Climate impacts on agriculture, fisheries and rural livelihoods** affecting enterprise resilience and business continuity
- **High dependence on climate-sensitive sectors** increasing risks for SMEs and local economies

Timor-Leste is highly vulnerable to climate change. Building resilience and moving towards a green economy is essential for protecting jobs, supporting enterprises and ensuring sustainable and inclusive growth.

Pressure 2, Market and Economic Transition Pressures

Global market expectations
Rising ESG and sustainability requirements

Energy transition
Increasing renewable energy competitiveness and declining costs creating new business opportunities

Climate-related trade measures
Emerging carbon border adjustments and standards affecting access to international markets

Responsible sourcing
Growing demand for responsible sourcing in key export sectors (coffee, tuna, spices, coconut, etc.)

Competitiveness
Rising costs and global competition require innovation, productivity and quality upgrading for Timorese enterprises

Key implication for Timor-Leste enterprises
Businesses that adapt early to sustainability, energy efficiency and responsible practices will be more competitive, resilient and better positioned for future markets.

Emerging trends

- Rising ESG and sustainability requirements from investors, buyers and financial institutions
- Growing demand for responsible sourcing and traceability in export sectors (coffee, tuna, spices, coconut, handicrafts, etc.)
- Increasing renewable energy competitiveness and transition towards cleaner production
- Climate-related trade measures (e.g. carbon border adjustments, due diligence, standards) affecting value chains and market access
- Need to boost productivity, innovation and skills to remain competitive in a changing global economy

Pressure 3, Financing and Investment Pressures

Key trends

Growth of green finance

More green funds, blended finance and climate investment platforms are emerging in the region and globally.

Increasing ESG-linked lending

Banks and investors are linking credit to environmental, social and governance (ESG) performance and disclosure.

Stronger climate resilience requirements

Investors and lenders expect businesses to assess climate risks and build resilience in operations and supply chains.

Expanding sustainable infrastructure investment

Rising investment in renewable energy, resilient transport, digital connectivity, water and waste infrastructure in Timor-Leste.

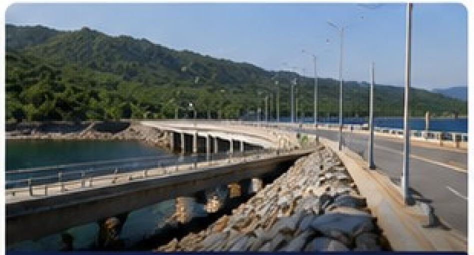
Implication for Timor-Leste enterprises

Access to finance will increasingly depend on sustainability performance. Enterprises that integrate ESG and climate resilience will attract investment, lower financing costs and unlock new growth opportunities.

Financing a sustainable future for Timor-Leste

Investing today for resilience, competitiveness and inclusive green growth.

Renewable energy projects



Resilient infrastructure

Green buildings and efficiency

Mobilising finance for a just transition

Public and private finance, together with strong policies and partnerships, are essential to accelerate Timor-Leste's green and inclusive development.

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Just Transition as a Driver of Competitiveness and Higher Productivity

From framework to results

Aligning with Timor-Leste's NDC 3.0 and national development priorities

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ILO Just Transition Framework:

Building resilient, competitive and future-ready enterprises in Timor-Leste

Green Enterprise Development

- Improve energy and resource efficiency
- Support sustainable, climate-resilient and low-carbon business practices
- Promote green innovation and access to green finance

Skills and Workforce Transition

- Prepare workers for emerging green sectors
- Strengthen skills for renewable energy, sustainable agriculture, tourism, digital and green industries
- Expand TVET and lifelong learning opportunities

Social Protection and Community Resilience

- Support workers and communities affected by climate and economic transitions
- Strengthen resilience to shocks such as droughts, floods and rising living costs
- Promote inclusive development and decent jobs

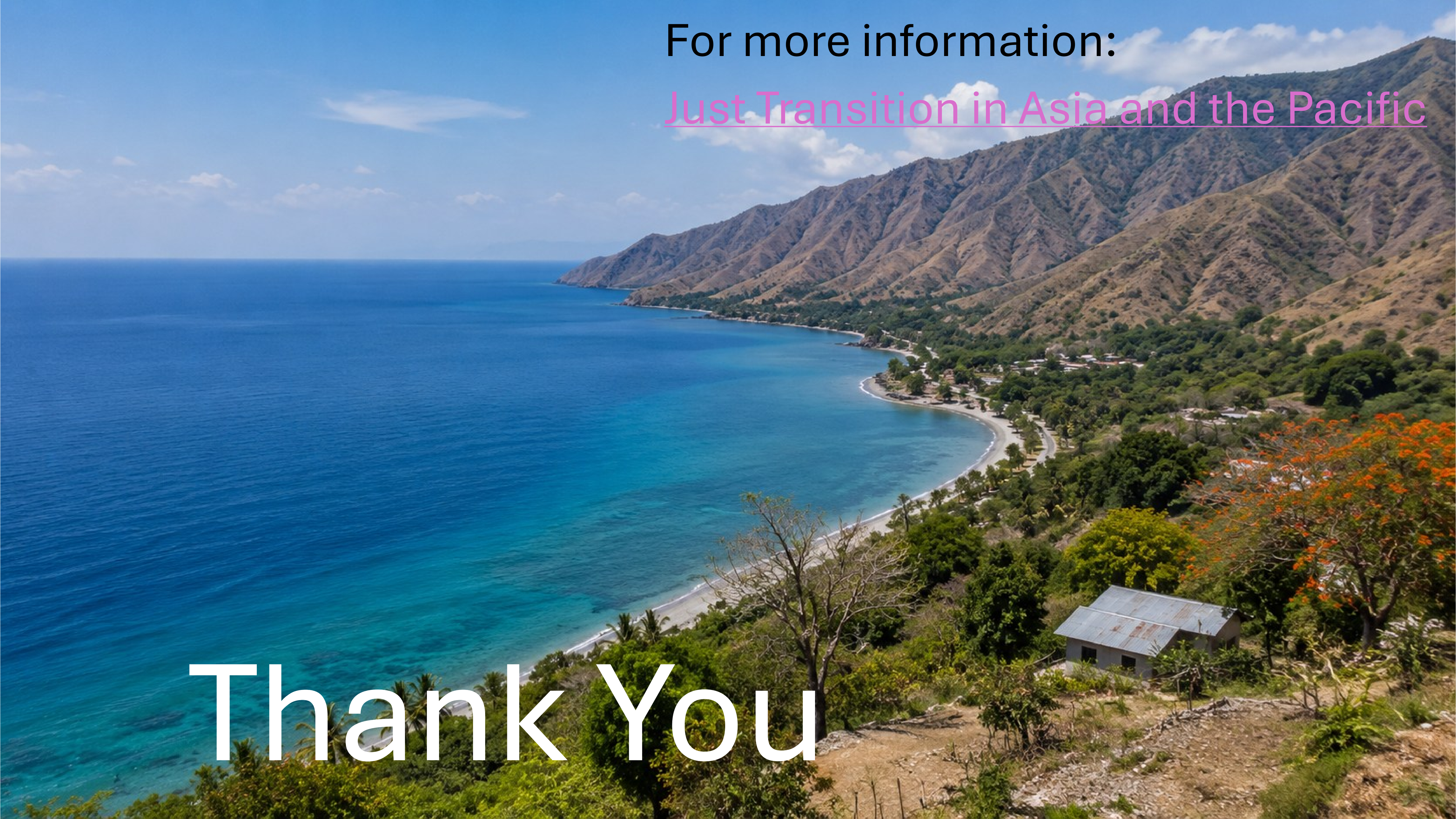
Occupational Safety and Health (OSH)

- Address climate-related occupational risks (heat stress, extreme weather, hazardous exposure)
- Improve workplace safety, health and wellbeing
- Enhance productivity and reduce work-related injuries

Social Dialogue and Enterprise Adaptation

- Engage workers and employers in improving processes and adaptation
- Build trust, support change management and workplace innovation
- Faster transitions, less waste, stronger retention and competitiveness

A Just Transition in Timor-Leste creates decent jobs, strengthens enterprises and builds a sustainable and inclusive future for all.



For more information:

[Just Transition in Asia and the Pacific]

Thank You