

► Labour market policies for the youth in Timor-Leste

a Mapping exercise



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► Foreword

The present study originates from the initiative of the International Labour Organization (ILO) Country Office for the Indonesia and Timor-Leste (CO-Jakarta) to address a major information gap regarding the offer of labour market programmes in Timor-Leste, notably those specifically targeting youth. Indeed, while information does exist, it is, often, partial and scattered with no panoramic overview available to the interested party.

The study includes a comprehensive and detailed inventory of ongoing national level programmes with some references to local ones. The inventory results from systematic and thorough review of documental evidence and interviews with relevant stakeholders performed during the second quarter of 2023. In addition to programmes details, the study provides a general but still helpful assessment of the stock of labour market programmes available in the country highlighting strengths and improvable aspects. Few recommendations for enhancing the design and effectiveness of existing measures conclude.

The study is lead authored by Carlos Gamito, independent consultant who also performed the bulk of the needed research. Diego Rei, Employment and Labour Market Policies Specialist at the ILO Office for the Indonesia and Timor-Leste contributed to part of the paper and provided editorial review.

The research would not have been possible without the commitment and continuous efforts of the national stakeholders of Timor-Leste and of all those who contributed by devoting time and resources to answer questions, attend interviews or share available data. Special thanks goes to the government institutions providing overall guidance, funding, and implementing labour market policies including the Secretary of State of Vocational Training and Employment (SEFOPE), the Ministry of Tourism, Commerce, and Industry (MTCI), the Ministry of Education, Youth and Sports (MEJD), the Ministry of Higher Education, Science, and Culture (MESCC), the Secretary of State of Youth and Sport (SEDJ), and the Institute in Support of Business Development (IADE). We also wish to recognise the civil society organizations (CSOs) and private sector operators that contribute to the daily delivery of activities inventoried in the study such as the network of centres providing technical and vocational education and training (TVET), the Women's Business Association (AEMTL), the Timor-Leste Trade Union Confederation (KSTL) and the Chamber of Commerce and Industry (CCI-TL). Finally, our gratitude goes to Timor-Leste's development partners, in particular the United Nations Development Programme (UNDP), the United Nations International Children's Emergency Fund (UNICEF), the Food and Agriculture Organization (FAO), the European Union, and the Republic of Korea International Cooperation Agency (KOICA).

The views expressed in the report are the sole responsibility of the principal authors and do not represent the official position of the ILO.



Michiko Miyamoto

Director of ILO Office for the Indonesia and Timor-Leste

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► Acronyms and abbreviations

	► Original	► English
AEMTL	Associação Empresarial das Mulheres Timor-Leste	Women's Business Association
ANMP	Autoridade Nacional do Petróleo e Minerais	National Authority of Petroleum and Minerals
ALMP		Active Labour Market Policy
AWE		Academy for Women Entrepreneurs
BNCTL	Banco Nacional de Comércio de Timor-Leste	Timor-Leste National Development Bank
CCI-TL	Camara de Comercio e Industria de Timor-Leste	Chamber of Commerce and Industry Timor-Leste
CDE		Business Development Centres
CEFOSAP	Centro De Formação Sindical E Aperfeiçoamento Profissional	Training and Professional Improvement Centre
CEOP	Sentru Empregu no Orientasaun Profisional	Employment and Career Guidance Centre
CFP-DBC		Vocational Training Centre-Don Bosco Comoro
CNC	Centro Nacional Chega	National Centre-Chega
CNFP – Becora	Centro Nacional de Formação Profissional - Becora	National Vocational Training Centre-Becora
CSO		Civil Society Organization
DFAT		Department of Foreign Affairs and Trade
DNADMPME	Diretor Nacional de Apoio e Desenvolvimento a Micro, Pequenas e Medias Empresas	National Directorate for Support and Development of Micro Small and Medium (sized) Enterprises
DNEE	Direccao Nacional Emprego Exterior	National Directorate of Overseas Employment
DNEI	Direccao Nacional Emprego Interior	National Directorate of Internal Employment

	► Original	► English
DNFP	Direccao Nacional Formacao Professionau	National Directorate of Vocational Training
DSA		Daily Subsistence Allowance
EESJS	Estimulu Empreendedorizmu Sosiál Juventude Suku	Incentivising Youth Social Entrepreneurship in Sucus
EPS		(Republic of Korea) Employment Permit System
ESTV	Eskola Sekundáriu Tékniku Vokasionál	Secondary Technical-Vocational Schools
ETDA		East Timor Development Agency
FAO		Food and Agriculture Organization
FDCH	Fundo de Desenvolvimento do Capital Humano	Human Capital Development Fund
FGD		Focus Group Discussion
FIN	Facilidade Incubação de Negócios	Business Incubator Facility
G2G		Government to Government
GDS		General Directorate of Statistics
GET		Gender and Entrepreneurship Together
GIP		Graduate Internship Programme
GJ4RYE		Green Jobs for Rural Youth Employment
IADE	Instituto de Apoio ao Desenvolvimento Empresarial	Institute for Support of Business Development
ILO		International Labour Organization
INDMO	Instituto Nacional de Desenvolvimento de Mão- de-Obra	National Institute for Workforce Development
INETL	Instituto Nacional de Estatística Timor-Leste	Timor-Leste National Institute of Statistics
KII		Key Informant Interview

	► Original	► English
KNI	Kompetição de Negócios Inovadores	Business Innovation Challenge Competition
KOIKA		(Republic of) Korea International Cooperation Agency
KPNI	Kompetição Plano Negócios e Inovação	Business Plan and Innovation Competition
KSTL	Konfederasaun Sindikatu Timor Leste	Timor-Leste Trade Union Confederation
MAE	Ministério da Administração Estatal	Ministry of State Administration
MEJD	Ministério da Educação, Juventude e Desporto	Ministry of Education, Youth and Sports
MESCC	Ministério do Ensino Superior, Ciência e Cultura	Ministry of Higher Education, Science, and Culture
MSME		Micro, Small and Medium Sized Enterprises.
MSSI	Ministériu Solidariedade Sosiál no Inklusaun	Ministry of Social Solidarity and Inclusion
MTCI	Ministério do Turismo, Comércio e Indústria	Ministry of Tourism, Commerce, and Industry
NEET		Not in Education, Employment or Training
NSE		National Strategy for Employment
NYAP		National Youth Action Plan
NYP		National Youth Policy
PALM		Pacific Australia Labour Mobility
PES		Public Employment Scheme
PDHJ	Provedoria dos Direitos Humanos e a Justiça	Office of the Provedor for Human Rights and Justice
PLF		Pacific Labour Facility
PNDS	Programa Nasional Dezenvolvimentu Suku	National Programme for Village Development
PWP		Public Work Scheme
R4D		Roads for Development

	► Original	► English
RAEOA	Regiao Administrativa Especial Oe-Cusse Ambeno	Special Administrative Region Oecusse-Ambeno
RDTL	Republica Democratica Timor-Leste	Democratic Republic of Timor-Leste
SEFOPE	Secretária Estado para Formação Profissional e Emprego	State Secretariat for Vocational Training and Employment
SEJD	Secretaria de Estado da Juventude e do Desporto	State Secretariat for Youth and Sport
SERVE	Serviço de Registo e Verificação Empresarial,	Business Registration and Verification Service
TAF		The Asia Foundation
TLESS		Timor-Leste Enterprise and Skills Survey
TLLFS		Timor-Leste Labour Force Survey
TLPHC		Timor-Leste Population and Housing Census
ToE		Training of Entrepreneurs
ToT		Training of Trainers
TVET		Technical and Vocational Education and Training
UNDP		United Nations Development Programme
UNICEF		United Nations International Children's Emergency Fund
UNSDCF		United Nations Sustainable Development Cooperation Framework
UNTL	Universidade Nacional Timor Lorosa	National University of Timor-Leste
YEES		Youth Employment and Entrepreneurship Skills
YIP		Youth Internship Programme

Executive summary

The present research project includes a comprehensive and detailed inventory of 32 ongoing youth targeted (active) labour market policies implemented by Timor-Leste's central government and development partners with occasional reference to CSOs and sub-national governments' programmes.

The inventory results from systematic and thorough review of documental evidence and interviews with relevant stakeholders performed during the second quarter of 2023. For analytical purpose, interventions are classified into four different categories i) facilitation of school to work transition, ii) provision of job opportunities, iii) entrepreneurship support, and iv) facilitation of labour market (re)integration for vulnerable youth.

Our research identifies 13 programmes providing apprenticeships, internships, or other job attachment opportunities to facilitate school to work transition. Depending on the programme, positive impacts might be constrained by deficits in decent work conditions (lack of any remuneration), duplication of tasks performed by participants within the same host organization, weak participation of private sector, and deficiencies in targeting of participants with limited opportunities for the most disadvantaged. The formulation and implementation of job attachment programmes also include important strengths that should be kept, replicated, and scaled up by future interventions. Among those, we highlight that - when included - financial compensation is in line with national salaries, interventions typically combine multiple activation measures, and some programmes present linkages with foreign employment opportunities thus potentially expanding the training content.

A more challenging scenario emerges regarding the provision of job brokering services and job search assistance. Employment and Career Guidance Centres (CEOPs) are the public institutions leading these interventions, but their capacity is often limited. A not fully adequate endowment of material and human resources, the scarcity of funding, and the lack of operational IT systems represent meaningful obstacles for their operation. On the other hand, while there are some non-profit and private employment agencies operating in Timor-Leste that can be assumed to have a positive impact -at least -on the efficiency of the labour market, the lack of regulation and cooperation between those and CEOPs makes difficult to track their impact on the employment outcomes of youth.

For what concerns educational and career guidance, and promotion of labour rights with the aim to facilitate school to work transitions, activities are significantly limited. Ad hoc or limited in number dissemination sessions by SEFOPE represent the main tool for the former and activities within the Trade Union Training and Professional Improvement Centre (CEFOSAP) represent the most systematic approach to the latter.

Within the category of interventions aimed at providing job opportunities for youth, the research has identified six public employment schemes including two foreign employment schemes and four public work programmes. Together, those interventions create between 6,151 and 9,306 full-time equivalent jobs per year, although no share is specifically reserved for youth. Conversely, wage and hiring subsidies are virtually inexistent in Timor-Leste.

Public work programmes and public employment schemes interventions have a large impact on poverty alleviation contributing to bridge decent work gaps in Timor-Leste. Nevertheless, further evidence is needed to verify whether they increase participants' employability and/or incomes once programmes end. The unequal geographical distribution of public work programmes and job attachment programmes may raise concern in terms of distribution of human capital across the national territory. It also appears that foreign employment schemes do not fully enable the transfer of skills and technology that should be expected from international labour mobility.

Amongst interventions included in our inventory supporting youth entrepreneurship, there are seven programmes including a business training and support services component and ten including an access to finance facilitation component. Regarding the latter, we estimate that between 2,710 and 3,120 entrepreneurs can benefit every year from subsidized financing and around 80 per cent of them are aged between 15 and 35 years.

Among the positive features identified for entrepreneurship support programmes it is worth noting the commonly offered combination of services, particularly training and access to financing, the variety of available financial instruments (loans, grants, preferential loans), the overall respectful size of financial resources available, and the size of individual support packages. Nevertheless, other programmes' features require the attention of policymakers, including the existence of potential crowding out effects (unsustainable businesses being kept alive at the expenses of more promising ones), the lack of targeting of youth and vulnerable groups, the short duration of some business training/coaching programmes, and the absence of clear linkages with labour migration policy and the reintegration of returned workers.

No intervention implemented by the government has been identified within the area of reintegration of youth with vulnerable backgrounds, while UN agencies and CSOs have limited capacity to fill the gap left. UNICEF in partnership with "Jesuit Social Services" implements a Juvenile and First Offenders programme in the detention centre of Becora since 2022. The network of 10 public shelters for victims of abuse and vulnerable populations, the Uma Mahons, has a limited hosting capacity and do not provide training and career counselling services which could enable employment (re)integration. The NGO Casa Vida offers seven life skills training courses and gives employment opportunities to survivors. Nevertheless, there is only one shelter in Dili, which currently accommodates 40 young women and children.

Consistently with the evidence collected in this report, the following recommendations appear worth making, as most aligned with the objectives set by the 2021-2025 [United Nations Sustainable Development Cooperation Framework](#) (UNSDCF) for Timor-Leste, the [Timor-Leste IX Government programme](#), the [2017-2030 National Strategy for Employment](#) (NSE), the [2016 National Youth Policy](#) (NYP) and the [2022-2027 National Youth Action Plan](#) (NYAP):

- ▶ **Strengthening the role of CEOPs** to provide job brokering, job search skills, and career guidance assistance, but also turning them into the **lead institution** to coordinate (active) labour market policies in Timor-Leste. We recommend a clearly regulated mandate for CEOPs and the services they offer, combined with the allocation of the necessary resources to, *at the very least*, conduct systematic outreach activities-including education and career guidance- and ensure regular mapping of ongoing (active) labour market policies.
- ▶ **Adopt a structural approach in the formulation and management of (active) labour market policies**, without which the desired impact cannot be warranted. The following should be considered: (i) the introduction of a coordinating mechanism or lead institution to coordinate the offer of (active) labour market policies, (ii) the establishment of a registry of beneficiaries of public labour market programmes, (iii) ensuring collection of the voices of young participants and of entrepreneurship support programme managers toward any endeavour aimed at improving the business environment, the latter itself being a precondition for the effectiveness and efficiency of the entrepreneurship support programmes, (iv) extending the knowledge of labour rights and legislation amongst the youth via dissemination schemes involving all tripartite partners thus contributing to future productivity and social dialogue. Also, to be possibly considered is (v) the offer of carefully designed (to be minimally distortionary) hiring and transport subsidies for youth. The latter are measures currently absent from the Timorese labour market policies' landscape that have proven their positive impact in other contexts.
- ▶ **Improving the design of certain ongoing interventions**, including but not limited to (i) increasing the number of entrepreneurship training opportunities and ensuring participants engage for a sufficiently long span (minimum of five months recommended), (ii) setting a minimum standard for working conditions in job attachment schemes in line with the ILO - Quality Apprenticeships Recommendation, 2023 (No. 208), (iii) strengthening the linkages between activation programmes and foreign employment schemes so that returning migrants can easily and directly access the former, (iv) lobbying for more quality overseas public employment schemes with bilateral partners, and (v) increasing number and coverage of programmes facilitating the (re)integration of vulnerable youth in the labour market.
- ▶ **Properly developing the monitoring and evaluation functions of (active) labour market policies**, ensuring that stakeholders allocate enough resources to monitor the labour market outcomes of policies' participants once they exit the programmes and promoting the quantification of impacts. Whenever possible stakeholders could consider using impact evaluations to verify that programmes rationales and theories of change are accurate, so that scarce public resources are only invested in interventions that effectively and efficiently deliver the desired results.

Introduction

► Purpose

This report is part of a research project aspiring to provide national stakeholders, development partners and any other interested party with a detailed mapping of ongoing interventions aimed at improving youth labour market outcomes in Timor-Leste. In addition to the overview of selected intervention, the report includes a preliminary evaluation of the existing strengths and gaps together with recommendations for upgrade.

The information presented will be instrumental to shape national response and future development cooperation interventions notably along the 2021-2025 [UNSDCF](#) for Timor-Leste,¹ the [Timor-Leste IX Government programme](#),² the [2017-2030 NSE](#), the [2016 NYP](#) and the [2022-2027 NYAP](#).

► Scope

Youth employment and dedicated labour market programmes. The youth employment situation in each country is the result of several (root) causes and of the interaction between numerous elements. Amongst other, macro, and micro economic performance, total output, as well as the general and labour market related institutional setting can all potentially bear a sizable impact on quantity and quality of employment available to youth. Aware of the above, this mapping exercise concentrates on the analysis of active labour market policies (ALMPs) - those programmes designed to increase or improve the employment opportunities of unemployed or out of the labour force youth to get or to return to a job. Somehow expanding on the activation principle, educational/ career guidance and labour rights awareness and sensitization for new entrants in the labour market are also included in the analytical framework.

Categorization. To perform the chosen analysis a specific categorization is proposed. Interventions are classified according to the following scheme:

1. Interventions aimed at **facilitating the school to work transition for young women and men** in the form of:
 - a. apprenticeships;
 - b. internships;
 - c. job attachment programmes for recent graduates from secondary, vocational or tertiary education with or without stipend;
 - d. job matching assistance programmes including:
 - i. job brokering (websites or in person) carried out by public or private organizations;

1 The 2021-2025 UNSDCF set the creation of sustainable economic opportunities and decent work for all as its second priority and identifies youth as a key target group to benefit from sustainable economic opportunities and decent work to reduce poverty.

2 Timor-Leste IX Government programme acknowledges that youth represent the bulk of the population and that, as future leaders of the country, they must acquire more and better qualifications and have more and better access to employment, and personal, and professional development opportunities. The programme also includes multiple references to the implementation of ALMPs with a focus on the youth and the measures that will promote the creation of employment for all Timorese. Among others, the programme sets as objectives of the IX government the establishment of a career counselling programme for recent young graduates, the increase of beneficiaries of overseas temporary employment programmes, the improvement of young workers qualifications, and the implementation of the 2017-2030 NSE. This research provides a steppingstone to the IX Government to implement its programmatic agenda in the areas of employment and youth by offering a snapshot of current youth employment interventions in Timor-Leste.

- ii. job search assistance (CV, interview preparation) and educational/ career guidance carried out by public or private organizations;
- iii. labour rights awareness and sensitization for new entrants in the labour market.

A, b and c above are usually described and analysed interchangeably as in Timor-Leste no real distinction is made nor precise guideline for the application of the different concepts is available. Also, a, b, and c are to be intended as on-the-job trainings associated with off the job, school based, components, not as subsidized employment (the latter included in section 2-b below).

2. Interventions aimed at **providing job opportunities specifically for young women and men** in the form of:
 - a. public works and public employment schemes-including foreign employment/seasonal work schemes;
 - b. subsidies to employers for hiring young people (not included under point 1 a, b, c above).
3. Interventions aimed at **supporting youth entrepreneurship** in the form of:
 - a. entrepreneurship training within general education system;
 - b. entrepreneurship training and business support services provided to young women and men by government or private organizations without the general education system;
 - c. special access to financial services for young entrepreneurs (capital, insurance, and banking) provided by government or private organizations;
 - d. special market shares for youth for government contracts or similar other.
4. Interventions aimed at **facilitating the labour market (re)integration of young women and men from vulnerable backgrounds**, including psychological and career counselling and training services for (i) young women and men from extremely vulnerable backgrounds, (ii) orphans, (iii) juveniles, (iv) youth emancipating from crime, (v) first offenders), (vi) youth victims of (sexual) abuse.

While **not fully exhaustive, the analysis covers 32 programmes representing, by our own estimate- 85 per cent of the ongoing youth employment interventions in the areas object of analysis.** Implementers include the Timor-Leste's government – excluding municipalities - and international development partners. Interventions implemented at the municipal level by CSOs, and local governments are out of the scope of this research project due to their small scale, temporary nature, and/or lack of availability of systematic documental evidence.

General education offer and other labour market policies. Somehow discretionarily, for the sake of productively narrowing the analysis and reflect the priorities of ILO constituents,³ the general education policy and offer, other than courses and degrees aimed at *immediately* facilitate (re)insertion of graduates in the labour market (themselves usually part of the TVET sub sector) is not covered by the study but at times referred to.⁴ The same applies to a range of programmes, policies and institutions which exude from the activation principle but may substantially affect the quantity/quality of employment for youth. Examples of the latter are the activity of the labour inspectorate, the employment protection legislation, the so-called *passive labour market policies* (interventions focusing on income maintenance when workers are out of employment) or interventions combining income support programmes (and other social protection measures) and the activation of the (young) job seeker to get or return to a job.

Youth “targeting” in programmes. While the analysis attempts to focus on those measures and programmes specifically designed to cater to youth, either de jure (eligibility limited to them) or de facto (as beneficiaries belong mostly the youth group), where relevant broader in scope measures are considered. Specifically, within the paper, youth targeting is categorized in **“narrow”, “broad”, or “unspecified”**. Programmes that apply “narrow” youth targeting are those restricting, or clearly prioritizing participants aged between 15 and 24 years old, while those applying “broad” youth targeting raise the upper age band to 35 years old. “Unspecified youth targeting” refers to those programmes that go beyond the 15-35 years old bandwidth, and are universal in scope, or have not clearly defined an age requirement for participants. Note that according to 2022 Timor-Leste Population and Housing Census (TLPHC) circa 22 per cent of the population is aged 15 to 24 years old and circa 38 per cent is aged 15 to 35 years old.

3 Notwithstanding such focus, it is clear that – in line with the International Labour Conference resolutions of 2005 and 2012 and the ILO's Youth Employment Action Plan 2020-30 - tackling the youth employment challenge must hinge on a systemic approach. In addition, even within the framework of labour market institutions there is certainly room to further analyse specific ones (e.g., employment protection legislation).

4 The reader may refer, among other, to the 2020-2024 [Education Sector Plan](#) which provides a comprehensive overview of the principles underlying the provision and access to education in Timor-Leste, the ongoing challenges, as well as the organization of the school system. Also, for an overview of the educational offer in the country see [Timor-Leste | UNESCO UIS](#).



Methodology

The information presented in the report originates from the analysis of documental sources (desk review of reports, public information) and targeted collection of additional data. The latter is based on the elaboration of the information presented in budgetary statements and programme activity reports and on key informant interviews (KIIs) and focus group discussions (FGDs). The following stakeholders contributed:

- ▶ Women's Business Association-AEMTL
- ▶ Banco Nacional de Comércio de Timor-Leste-BNCTL
- ▶ Centro Nacional de Formação Profissional – Becora (CNFP-Becora)
- ▶ Chamber of Commerce and Industry -CCI-TL
- ▶ Centro Nacional Chega-CNC
- ▶ Don Bosco Professional Training Centre
- ▶ East Timor Development Agency-ETDA
- ▶ Timor-Leste Trade Union confederation -KSTL
- ▶ Institute in Support of Business Development -IADE
- ▶ FAIRTRADE
- ▶ FAO
- ▶ Human Development Capital Fund (FDCH)
- ▶ G7+
- ▶ Mercy Corps
- ▶ Ministry of Tourism, Commerce, and Industry -MTCI
- ▶ Provedoria dos Direitos Humanos e a Justiça (PDHJ)
- ▶ Secretary of State of Vocational Training and Employment -SEFOPE
- ▶ Secretary of State of Youth and Sport -SEJD
- ▶ The Asian Foundation (TAF)
- ▶ UNDP
- ▶ UNICEF

► Youth definition

Within the report, youth are normally intended, consistently with the UN/ILO definition, as individuals aged 15-24. The Government of Timor-Leste adopted the same definition in the 2016 NYP, further breaking down youth into two categories, adolescents (15-19) and young adults (20-24). Nevertheless, the NYP acknowledges that other definitions can regulate the access of youth to government services, including ALMPs, directly referring to the age bandwidth 17-35. To ensure consistency with the local practice,⁵ this research broadens the concept of youth up to 35 years of age when programmes declare to target youth but allow participants to be older than 24 years old.

► Data collection

The sample of programmes to be included in the research was drawn from a population build by adding together the 2023 Government Annual Plans, the Timor-Leste UNSDCF 2023 Annual Planning, and the UN National Action Plan for Youth 2022-2027.

The first phase of the research involved a review of publications available on the internet from ministries' websites and international and regional organizations, as well as governmental documents including budgetary statements, reports, and spreadsheets.

Where electronically available information was insufficient or in need of verification, stakeholders were contacted directly and-with very limited exception- supplied information via interviews and/ or email correspondence. This included making internal organization documents, such as annual reports, available to the consultant. The application of the snow-ball sampling technique allowed to include additional programmes in the sample, either because identified during the revision of documental evidence or because mentioned by stakeholders during KIIs and FGDs.

► Analysis

Descriptive component. Once collected, data was organized for descriptive purposes in standard categories and an individual summary report for each programme was produced (see Annexes I to IV). All reports for individual programmes follow the same scheme of presentation:

- primary area of intervention (see above section on "categorization")
- secondary areas of intervention (see above section on "categorization")
- main programme operator and implementing partners
- elements of the design and operations
- eligibility and targeted group
- age range
- source and amount of funding
- period of engagement
- financial support and in-kind benefits
- programme geographical availability and actual coverage

⁵ The General Director of Youth and Sports mentioned during a KII conducted for this study that the SEJD considers youth those aged between 15 and 35 years old.

- ▶ rationale
- ▶ number of participants
- ▶ monitoring of labour market outcomes
- ▶ possible changes in design
- ▶ sources of information

Summary evaluation. Beyond the descriptive component, the report proposes a short analysis of the overall offer of programmes in Timor-Leste aimed at highlighting strengths and possible quantitative and qualitative gaps. Criteria for this analysis include:

1. coverage/completeness in terms of number of programmes/initiatives offered, areas covered and number of beneficiaries;
2. implementation challenges;
3. the inclusion and/or attention to decent work deficits.

It should be noted that this analysis is a preliminary attempt to connect the dots and evaluate the results of the mapping, incorporating original considerations, prior evaluations, studies, and relevant government documents. It represents a foundation step for deeper analysis as opposed to a definitive comprehensive evaluation of all youth employment programmes operating in the country.

Profile of youth employment in Timor-Leste

Table 1. Selected economic and labour market indicators, Timor-Leste, youth and adult.

		2021 Labour Force Survey	2022 Census
Total working age (15+) population ('000)	Men	403.6	442,0
	Women	405.8	432,7
	Total	809.3	874,7
Youth (15-24) population ('000)	Men	137.9	147,5
	Women	133.2	142,7
	Total	271.5	290,2
Labour force participation rate, total population (%)	Men	36.9	41.9
	Women	24.2	29.8
	Total	30.5	35.9
Youth labour force participation rate (%)	Men		
	Women		
	Total	9.2	
Adult (25-64) employment to population ratio (%)	Total	42.4	
Youth (15-24) employment to population ratio (%)	Total	8.3	
Youth unemployment rate (%)	Men	7.4	5
	Women	12.4	5.5
	Total	9.6	
Ratio youth (15-24) to adult (25-64) unemployment rate	Total	2 (9.6/4.7)	
Youth (15-24 years old) not in employment, education or training (NEET) (000 and %)	Men	41.1, 29.8	
	Women	41.7, 31.3	
	Total	82.8, 30.5	
Informal employment rate	Adults (25-64)	75.3%	
	Youth (15-24)	93.8%	

		2021 Labour Force Survey	2022 Census
Gross enrolment rate, secondary education (%) **	Men	82.5	
	Women	91.1	
Summary economic indicators			
GDP per capita (current USD. 2022)*		2878.3*	
GDP growth (%)	2020	31.9*	
	2021	5.3*	
	2022	-17.5*	
GDP composition, value added % share of the total	Agriculture, forestry, and fishing	8.6*	
(2021)*	Industry	62.3*	
	Of which, manufacturing	1*	
	Services	30.5*	

Sources: General Directorate of Statistics (GDS), Ministry of Finance; SEFOPE (2023) "Timor-Leste Labour Force Survey 2021 - Final Report" and *World Bank (2023) "World Development Indicators", download 13/07/2023, (n.b. rounding error for value added as percentage of GDP included tel quell).

** UNESCO Institute for Statistics (2023) Country profile "Participation in Education" download 13/07/2023.

Within an economy almost fully relying on mineral resources and with a per capita income placing the country amongst the low-income ones, youth are struggling to become a productive part of the labour force. Data from the 2021 Timor-Leste Labour Force Survey (TLLFS) depict a situation of clear disadvantage:

- ▶ Timor-Leste suffers from extremely low labour force participation rates for both youth (9.2 percent) and adults (30.5 percent).
- ▶ Perhaps expectedly, such low labour force participation rates are associated with low employment rates⁶ (8.3 per cent for youth and 42.4 per cent for adults) and somehow contained unemployment rates⁷ (9.6 per cent for youth and 4.7 per cent for adults).
- ▶ The youth unemployment rate is the double of the adult one indicating, as common throughout the world, an intrinsic disadvantage.
- ▶ The gender gap in youth unemployment is sizeable a 5.1 percentage points to the disadvantage of young women, suggesting their disproportionate challenges in finding employment. The difference is not, however, confirmed with the data from the 2022 TLPHC report indicating a substantial similarity in the unemployment rate of young women and men (5.5 per cent vs 5 per cent).
- ▶ Almost 83,000 of the nation's youth were NEET in 2021, with women slightly outnumbering men in both headcount and ratio over total population.
- ▶ If employed, most of the youth is engaged in informal employment (93.8 percent). In comparison, only 75.3 per cent of adults are informally employed. This suggest that the transition to formal employment is associated with tenure and job experience but is far from being common for any worker.

6 Low labour force participation rate and unemployment rate are by construction consequential. When looking at Timorese youth, the low labour force participation rates are mostly imputable- similarly to the rest of the population- to attending education and/or caring for the home or family (see Timor-Leste National Institute of Statistics "Population and Housing Census 2022 Main Report, 2023: Table 3.7). Together these categories capture 65.8 per cent of working-age population (including adults) not working. In addition, discouragement i.e. young people giving up active search because of low or no probability of success (8.6 per cent of the total population and about 10 per cent of youth aged 19 to 29, (see Timor-Leste National Institute of Statistics, 2023: Figure 3.22) may play a role. In turn, causes behind discouragement could be multiple. Weak labour demand (itself consequential to the small dimension of the private sector) increasing the competition for the few available salaried jobs and reducing the probability of finding one possibly being the main one. At the same time, more related to our study, the (actual or perceived) low effectiveness of employment services in helping people to find jobs reduces the number of jobseekers actively seeking employment.

- ▶ While data on educational attainment is mostly anecdotal, gross enrolment rate at secondary levels are substantially lower for young men than for young women.
- ▶ The performance of rural youth tends to be worse than the one of urban ones with lower employment to population and labour force participation rates and higher unemployment rates (*GDS & SEFOPE, 2023, figure 2*).

▶ Policy attention to youth employment

Youth employment and, to a lesser extent, low-quality employment for youth is a recurring theme in official government statements and documents in Timor-Leste. Most recently, the Timorese Prime Minister, Xanana Gusmao during his inauguration speech in July 2023 emphasised the need to build an “educated and qualified” society.

The focus on education and training is confirmed in the 2021-2030 strategic development plan and in the Timor-Leste IX Government programme, which refers to the acquisition of more and better qualifications by youth and to promoting their access to more and better employment, personal, and professional development opportunities. Employment and employability are also, unsurprisingly one of the leading pillars of the 2022-2027 National Youth Action Plan.

Finally, the current Timor-Leste Decent Work Country Programme 2022-2025 specifically targets under priority one interventions to support and enhance training, employment opportunities and working conditions of the youth.

Findings: mapping of youth employment interventions in Timor-Leste

► Interventions aimed at facilitating the school to work transition for young women and men

I. Apprenticeships, internships and job attachment programmes

General situation. Job attachment programmes are a relatively common intervention in Timor-Leste. Our non-exhaustive review includes 13 programmes specifically designed to guarantee to the young students an on-the-job training opportunity, usually after completion of their school-based learning. To be noted, however, that the existing schemes are seldom part of an institutionalized dual learning curriculum but are rather an on-the-job experience-gaining addition to a standard school-based curriculum (notably in the case of university students). Only in few instances, job attachment programmes aim at complementing -at least on paper- previous classroom-based training (apprenticeships for TVET students).⁷

Number of beneficiaries. The 13 programmes considered in our review can absorb between 1,207 and 2,855 youth per year⁸ an overall limited number.⁹ If all the unemployed¹⁰ were interested/eligible to participate in these programmes, the theoretical coverage rate would be between 47 and 113 per cent under the narrow definition of youth (15 to 24 years old) and between 20 and 48 per cent under the broad definition (15 to 35 years old). While the above seems high, in reality 46 per cent of the programmes within this area of intervention apply “unspecified youth targeting”, i.e. are not exclusively destined to youth and other eligibility criteria might apply (e.g. grades, educational attainment, field of study, geographical residence).

Eligibility. Some job attachment programmes in Timor-Leste are universal, receiving applications from all interested citizens, somehow hinting at the common consideration of those like subsidized employment opportunities. The majority, however, targets a sub-group of the population based on eligibility criteria related to educational attainment and, less commonly, age.

Some job attachment programmes have quotas for or prioritize particularly vulnerable individuals (women, people with disabilities, long-term unemployed, etc.) but no programme in our (non-exhaustive) review sets eligibility criteria based on vulnerability status.

The analysis of the eligibility requirements reveals some potential issues regarding equal opportunity of access and working conditions. In the past, the National Internship programme (Programa Estájiu Profissional) operated by SEFOPE’s National Directorate of Vocational Training (DNFP) was designed to offer on-the-job training opportunities to all those graduates transitioning from school – secondary technical-vocational schools (ESTV), TVET centres, and Universities – to the world of work, but the situation recently changed. In 2022-2023 the funding for the subsidies

⁷ The National University of Timor-Leste includes in the curricula some job attachment schemes for last year students. The actual features and implementation could not be verified. Anecdotal evidence points out such schemes consist in students “visiting” for some days businesses and government institutions.

⁸ Estimated as the minimum and maximum number of annual participants reported in Annex I.

⁹ Even if not all the youth would and should simultaneously be eligible to intern, if one considers that the 2022 TLPHC estimates at 290,246 the number of young people aged 15-24 and at 511,097 those aged 15-35, if all of them were to be involved in internships/job attachment, the coverage rate (ratio between number of participants and the total youth in the population) would lay between 0.2 per cent and 1 per cent.

¹⁰ The 2022 TLPHC counted some 2,531 unemployed young people aged 15-24 and 5,951 aged 15-35.

that were paid to interns, previously budgeted under the programme “Other types of training” implemented by the Human Development Capital Fund (FDCH), was eliminated from the General State Budget. As a result, only university students can now benefit from government-sponsored paid internships, while graduates from ESTV and TVET centres are normally left with unpaid on-the-job training experiences.¹¹

Conditions of employment-stipend. Only 62 per cent of the programmes within this area of intervention provide a regulated stipend, while the rest are unpaid (31 per cent) or the payment of the stipend is discretionary and/or unregulated (8 percent). With this respect, it is noteworthy that the literature has consistently found evidence that paid internships correlate with better labour market outcomes after programme completion than unpaid ones (*O’Higgins & Pinedo, 2018*).¹² Also, it is relevant to mention that the recently issued ILO Quality Apprenticeships Recommendation, 2023 (R.208)¹³ encourages governments to adopt regulations that ensure that apprentices and per analogy -we argue- interns and participants in other job attachment programmes receive adequate financial compensation, paid annual leave, and social protection coverage.

The availability of a stipend has also other implications reflecting on the equal opportunities of access between students attending different educational paths. In our sample, 88 per cent of the apprenticeships, internships and job attachment programmes with a stipend are reserved or give priority to graduate and/or undergraduate university students. In the remaining 12 per cent university students can also participate but they must compete with youth with a different background, essentially those coming from TVET.¹⁴

The table below shows the percentage of apprenticeships, internships, and job attachment opportunities by type of compensation and prioritized group.¹⁵ Under an optimistic scenario 60 per cent of the internship opportunities are paid. 73 per cent of those (44 per cent of the total) are reserved for university students. The remaining 27 per cent (16 per cent of the total) are open to students coming from other educational paths, who, however, still must compete with eligible university students. From another angle, only 38 per cent of the apprenticeships, internships and job attachment positions are reserved to TVET students, and these opportunities are either unpaid or their financial compensation is not regulated. Finally, only 2 per cent of the positions offered are unpaid but open to all youths.

Table 2: Percentage of apprenticeships, internships, and job attachment opportunities by compensation policy (paid, unpaid, unregulated) and prioritized group (all youth, university students, TVET students).

	Open to all youth	Reserved for university students	Reserved for TVET students	All
<i>Paid</i>	16%	44%	0%	60%
<i>Unpaid</i>	2%	0%	23%	25%
<i>Unregulated</i>	0%	0%	15%	15%

Among the programmes paying a regulated or unregulated compensation to participants only the CNFP – Becora pays a stipend below the minimum unemployment benefit proposed by the ILO Social Security (Minimum Standards) Convention, 1952 (No. 102).¹⁶

Combination with additional services. In addition to the on-the-job training, some of the programmes reserved for university students provide additional services to participants. The UNDP Youth Internship Programme (YIP) includes a systematic “soft skills” training component and career counselling and job search assistance to former interns. The Australia Awards Graduate Internship Programme (GIP) gives opportunities for networking and small grants to undertake research, community development, or leadership/professional development with the aim to contribute to

11 Or, in the best-case scenario, to programmes where financial compensation is not set as a default option, such as the ones from the CNFP-Becora.

12 It is unclear whether this is due to the payment itself, attracting more motivated/skilled individuals, or companies taking programmes more seriously when interns are remunerated.

13 https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:R208

14 This happens, for example, in the National Internship programme (Programa Estájiu Profissional) which, although operational in theory, currently lacks the funding for effective implementation.

15 Estimated over the optimistic scenario where each programme hosts the maximum number of participants identified in Annex I.

16 Such a minimum is defined as 45% of the monthly wage of an unskilled adult man, which is estimated in US\$172 using the 2021 TLLFS. Therefore, the minimum stipend in Timor-Leste would be US\$77.4/month. We refer to unemployment benefit level as a proxy for the reservation wage (salary below which the worker prefers to remain outside the labour force rather than actively participating). https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C102

Timor-Leste's development and/or strengthen links with Australia. In the "The Asian Foundation" (TAF) programme interns have access to the Staff Development Fund, which offers a US\$300 /year grant for capacity building and training (English, computing, and other technical skills). The East Timor Development Agency (ETDA) Hospitality Internship Programme and the Don Bosco Professional Training Programme also include a job matching component providing job search assistance and, sometimes, even direct job placements in the private sector after the end of the programme.

International placement. Some job attachment programmes are clearly linked with the promotion of foreign employment either for the job attachment itself or for the subsequent phase. For instance:

- ▶ The SEFOPE's National Internship programme includes a foreign placement sub scheme (although only implemented in 2019).
- ▶ The Australia Awards GIP pursues the objective of reintegrating Timorese graduates from Australian universities into the Timorese labour market.
- ▶ The ETDA Hospitality Internship Programme facilitated job placements for 120 former interns in Brunei and supports them when applying to overseas employment. In addition, the programme is currently negotiating further opportunities with the Darwin Chamber of Commerce and the hospitality industry in Brunei.
- ▶ CNFP-Becora facilitates placement in both Timor-Leste and abroad after the completion of the TVET programmes.
- ▶ TAF has a high rate of former interns that pursue further academic education in the United States.
- ▶ Don Bosco TVET centres plan on adopting the industry 4.0 approach, upgrading infrastructures, and enhancing the technological component of the training so that graduates can compete for works in more skilled industries in the Republic of Korea and Australia. To facilitate the latter a closer collaboration with SEFOPE is envisaged.

From our findings (see table 3), it results that while all programmes prioritizing youth with a TVET background offer the opportunity for placement abroad, only 29 per cent of those prioritizing university students and 33 per cent of those open to all do so. Overall, about half of the existing programmes offer international placement opportunities.

Table 3: Job attachment programmes with foreign placement opportunities (% of the total) by target group (all beneficiaries, university students, TVET students).

Target	No foreign placement opportunity	Foreign placement opportunity	Total
<i>All beneficiaries</i>	67%	33%	100%
<i>University Students</i>	71%	29%	100%
<i>TVET students</i>	0%	100%	100%
Total	54%	46%	100%

Implementation challenges. Our investigation reveals some actual or, at least, perceived implementation challenges hindering the achievement of the programmes' outcomes:

- ▶ **Overlapping/duplication.** There is a general overlapping and/or duplication between programmes, with many offerings job attachment or internship opportunities in the same institutions while catering to the same population. As a result, it may happen that organizations host interns executing very similar tasks but sponsored by different programmes providing heterogeneous working conditions. Such situation not only limits the educational value of the internship opportunity, but it is also potentially at odds with the principle of equal pay for jobs of equal nature.
- ▶ **Design and monitoring reflecting in educational value.** The training content of internship and job attachment schemes is often unmonitored, giving room for some employers to take advantage of the opportunity to have free (or cheap) labour without warranting actual professional or educational growth.

- ▶ **Limited private sector involvement.** While the limited size of the private sector is a systemic barrier, it is a fact that most youth participating in apprenticeships, internships and job attachment programmes are hosted by public sector organizations (usually in Dili). We found evidence that skills acquired in the public sector are -reportedly- not the ones sought by the private sector.
- ▶ **Internships as dead ends rather than steppingstones.** Many key informants interviewed during the conduction of the study expressed concern about young people enrolling in one internship after another, not necessarily to build on their employability but as the only way to benefit from a paid job. SEFOPE's National Internship programme even allows to participate twice in the programme, without undergoing the normal selection process, if a hosting institution explicitly ask for a specific person to do so.
- ▶ **Equal opportunity of access.** We found anecdotal evidence of interns participating in more than one sponsored programme (one after the other), while other eligible ones were possibly excluded.

II. Job brokering, job search assistance and career guidance

General situation, job brokering, job search assistance. Job brokering and job search assistance programmes are little developed in Timor-Leste. On the one hand, public employment services do provide the service while facing many operational and financial challenges. On the other, private sector service providers are scarce. Truth to be told, a labour market characterised by weak labour demand and supply does not provide optimal conditions for programmes of this type to thrive.

Public employment services. The offer of job brokering and job search assistance in Timor-Leste is mostly limited to the activities of the public employment services named CEOPs. CEOPs are – at least on paper- the public institution mandated to the task.¹⁷ A rough estimate indicates that approximately 67 per cent of the unemployed are registered in CEOPs,¹⁸ a relatively high number in a country where public employment services do not administer unemployment benefits but a marginal one if one considers out of the labour force individuals, in particular NEET youth (over 82,000), as potential customers.

CEOPs facilities are present in all municipalities except for Atauro.¹⁹ In addition, CEOPs operate with an online platform: SIMU WEB which allows to record job seekers, registered employers, and published vacancies. For this report no precise information on the latter was obtained.

Other suppliers. There are some non-profit and private employment agencies operating in Timor-Leste, like Konnektio, Vagas Timor-Leste, ETDA, and Caltech. The services provided by these agencies range from job matching, employee assessment, head-hunting, placement, outplacement, and outsourcing of human resource functions (Da Encarnação, 2019). The operation of these actors can be assumed to have a positive impact -at least on- the efficiency of the labour market. Indeed, the services provided would at the very least facilitate the matching of job seekers with vacancies reducing job search and vacancy filling costs. At the same time, it should be highlighted that the lack of regulation and cooperation between them and CEOPs makes difficult to track their impact on (youth) employment.

In some limited cases, TVET centres like ETDA, CNFP-Becora, and Don Bosco combine in their courses the provision of technical skills training with job search training. TVET centres also try to create preferential or facilitated links for placement with selected employers. Among those mentioned above, ETDA, which delivers its job brokering services via TOFTA Choice Agency Ltd., is the centre providing services closest in nature to those of private employment agencies.

Internship programmes run by development partners, like the UNDP's YIP or the Department of Foreign Affairs and Trade (DFAT)'s GIP, typically include a job search assistance and career guidance component too. The National University of Timor-Leste (UNTL) also includes in its annual plan the implementation of activities related to counselling and wellbeing-support for students. The state of implementation of the latter could not be verified for this study.

¹⁷ For reference, article 6 of the ILO - Employment Service Convention, 1948 (No. 88) suggests as tasks of public employment services (i) facilitation of job-matching between workers and employers, (ii) collection, analysis and dissemination of information about the labour market, (iii) co-operation in the administration of unemployment insurance and other measures to alleviate the negative socio-economic consequences of unemployment, (iv) assist in the socio-economic planning to ensure a positive employment outlook in the country.

¹⁸ Estimated as the number of people registered in 2022 in CEOPs (see Annex I) divided by total unemployed according to 2022 TLPHC data. It should be borne in mind that the 6,141 unemployed people reported by CEOPs in 2022 are the cumulative sum of clients registered at their services who have not found employment so far, while the 2022 TLPHC data gives a snapshot of those unemployed in a particular moment of the year when the census was conducted. The lack of age disaggregated data impedes to estimate the coverage rate for youth.

¹⁹ However, under the IX government is currently considering revoking the municipal status of Atauro, re-integrating its administration under Dili municipal authority.

General situation, educational and career guidance. In 2015, 2016, and 2019 CEOPs organized job fairs where private and public sector representatives introduced job opportunities and career paths to secondary school students. On an annual basis, CEOPs' staff visits schools and training centres to present labour market programmes to students. In addition, there may be some special occasions where relevant information is shared.²⁰ Nevertheless, the actual coverage (number of youth) of these activities is limited because on the one hand only students are amongst the potential beneficiaries (the number of NEET in Timor is estimated at 82,000²¹) and, on the other, the number of sessions is small. We estimate that between 4 and 9 per cent of youth, depending on how the target population is defined, are exposed.²²

The Ministry of Education has been discussing the inclusion of career guidance in the secondary education's curricula, but so far, according to the sources interviewed for this report, without any concretization. To be noted that the new IX Government includes the introduction of career guidance activities in schools as part of its political programme (RDTL, 2023).

Implementation challenges

- ▶ **Limited resources affecting provision of services from public sector (intermediation and career guidance).** Investment in labour market intermediation, job search assistance and educational and career guidance functions is limited. The public resources allocated to educational and career guidance are particularly scarce. Not only the outreach via means of school-based sessions is limited in scope but the dissemination tools (booklets, guides, labour market data) upon which career guidance should be based upon are extremely underdeveloped.
- ▶ **Monitoring of private sector providers of job matching services.** At the same time, job brokering, and the intermediation function performed by few private or non-profit organizations are hardly-if at all- monitored by the public sector. While possibly raising concerns about duplication of effort, this is particularly concerning as conditions of employment warranted via private intermediation are completely left unchecked.
- ▶ **CEOPs.** There exist some challenges specifically linked to the functioning of the CEOPs:
 - ▶ At present, CEOPs are **not fully functional and provide job-matching service on a limited scale**.²³ Perhaps firstly, it must be noted that CEOPs are not equipped with adequate tools to address the intrinsic geographical barriers that job seekers must overcome. If the geographical distribution of the unemployed (rural areas) does not correspond with that of job openings (Dili), CEOPs will struggle to match jobseekers and employers - despite having qualified candidates and/or IT technology²⁴ - if the former cannot assume the initial costs of geographical mobility. With respect to this last point, the introduction of transport subsidies for unemployed jobseekers could reduce frictions in the labour market and improve the capability of CEOPs, making registration more appealing for the unemployed and helping to build CEOPs systems and capacities in view of the future introduction of unemployment benefits. Transport subsidies are a very cost-effective job search assistance policy that, in similar developmental context, have increased youth employment and positively supported the transition from rural subsistence economies to urban industrial ones (Akram et al., 2017; Franklin, 2018).
 - ▶ **Limited ratio users/vacancies possibly stemming from limited outreach.** Users registered with CEOPs are relatively small vis a vis the vacancies available in the country resulting in only few jobseekers becoming candidates for open vacancies. As a reference, the 2022 Timor-Leste Enterprise & Skills Survey (TLESS) estimated 5,088 hirings per year in the formal business sector of the Timorese economy (SEFOPE, 2022, page 12) while CEOPs in the same year registered 6,141 jobseekers.

20 For instance, on a recent graduation ceremony for CEFOSAP, graduates were informed with recent labour market trends.

21 See General Directorate of Statistics (GDS), Ministry of Finance; Secretariat of State for Vocational Training and Employment (SEFOPE) (2023: table 18).

22 2022 TLPHC data and number of participants in CEOPs activities reported in Annex I. Minimum coverage is estimated as students targeted in 2023 divided by youth over 15 years old attending school ($8,000/177,937*100=4\%$). Maximum coverage is estimated as students participating in the activities in 2022 divided by youth 15-18 years old attending school ($8,804/97,452*100=9\%$).

23 A previous Da Encarnação (2019) but still valid - according to the FGD performed for this study - review suggests a few operational challenges for CEOPs (i) CEOPs are largely underfunded lacking the necessary equipment to deliver their mission effectively and efficiently; (ii) Insufficient human resources and high turnover negatively impact on CEOPs capacity to follow up on cases and facilitate the job-matching (iii) Underdevelopment or lack of operationalization of IT systems hinders the registration and referral of jobseekers to training centres and prospective employers.

24 Lack of labour market data properly disaggregated by municipality impedes to clarify categorically whether this is an issue or not. Nevertheless, intention to hire indicators in the 2022 Timor-Leste Enterprise & Skills Survey (TLESS) shows that 63 per cent of the job openings happen in Dili, while author calculations using TLLFS data indicates that 81 per cent of the unemployed reside in other municipalities.

- ▶ **Gaps in IT capacity affecting intermediation.** While there exists a dedicated platform (SIMU WEB) to register job seekers, vacancies and employers, the platform effectiveness is constrained by technical issues (user friendliness, performance of automated matching, linkage with other public databases) and size of the users' population (limited vacancies published, mostly from public sector). The latter aspect is also (but certainly not only) a consequence of the poor internet connectivity across the country (notably rural areas). To be noted that aware of the challenge the UNDP's Youth Employment and Entrepreneurship Skills (YEES) programme is currently supporting the enhancement of the SIMU WEB job portal to facilitate registration and matching.
- ▶ **No tracing of beneficiaries and limited monitoring.** In general, CEOPs do not monitor the labour market outcomes of their clients and we found no systematic attempt to record performance indicators such as the number of vacancies filled in, the time that filling a vacancy takes, or how long jobseekers wait until they receive an employment or training offer. Therefore, it is not possible to make a straightforward evaluation of CEOPs' performance in terms of job-matching facilitation.
- ▶ **Unclear mandate/role.** Interviews conducted for this study suggest that the organizational structure and the role of CEOPs is unclear even among policy makers/stakeholders, with only some considering CEOPs as the cornerstone of public employment services and others regarding them just as the entity responsible for funding TVET centres and registering jobseekers. Such lack of clarity likely affects the capacity to become the referral for job matching and job search activities and the creation of synergies with other stakeholders.

III. Labour rights awareness and sensitization

General situation. Very few interventions currently promote labour rights awareness and sensitization among the youth in Timor-Leste. The Timor-Leste Trade Union Confederation (KSTL) systematically includes in the vocational training curricula of its training centre (CEFOSAP), elements of labour rights, duties and responsibilities at the workplace and even occupational health and safety (seafarers). CEFOSAP is, however, only open to KSTL members and normally caters to people already working. In addition, KSTL and its associated unions also provide ad hoc sensitization to their (new) members.

Other than unions' undertakings, the issue of labour rights awareness is also marginally dealt with during CEOPs organized job fairs and visit to schools.

► Interventions aimed at providing job opportunities for youth

I. Public employment schemes

General situation

Public employment schemes (PESs) in Timor-Leste mostly consist in **public work programmes** (PWP) and are a broadly used measure. In addition to PWPs, we consider in this section as part of the broader category of public employment schemes, **the overseas employment schemes**.²⁵ The latter, while financed by employers in the destination country, are based on Government to Government (G2G) agreements and on active intermediation and selection by public bodies.

In the absence of unemployment benefits PESs and PWSs are the main income substitution programme protecting working age adults in Timor-Leste.²⁶

Using the information collected for this study (see Annex II), we estimate that, combined, PWPs and PESs create a significant number of full-time equivalent jobs: between 6,151 and 9,306 per year, equally split between local and international. Most of the existing programmes, while certainly incorporating youth as beneficiaries (even as the largest share), are not exclusively targeting them. The focus is usually on unemployed rural citizens, without an exact age target.

To give a term of comparison, the full-time equivalent jobs created by PESs and PWPs interventions in 2022 were at most²⁷ 8,283 jobs while at the same time there were 9,172 people unemployed in Timor-Leste (*INETL, 2023*) and 94,900 individuals were in a situation of labour underutilization (*GDS & SEFOPE, 2023*).

Design. The design of PESs and PWPs varies substantially.

Public employment schemes (overseas employment)

- As considered in this report, public employment schemes (overseas employment) place workers overseas for seasonal or limited in time work, normally only in specific industries as required by the host country.
- The PESs employing workers abroad are mainly the Republic of Korea Employment Permit System (EPS) scheme and the Pacific Australia Labour Mobility (PALM) scheme. Both schemes are based on G2G agreements. Currently, SEFOPE is piloting and negotiating a new overseas PES with the government of Japan.
- Timor-Leste's PESs have the main goal of alleviating the pressure that the excess of labour supply poses on the Timorese labour market, partially offsetting the weakness of the internal labour demand by sending workers abroad.

Public work programmes

- Public work programmes in Timor-Leste follow the community-based model to a greater or lesser extent. In community based PWPs local communities identify, design, and implement infrastructure projects that create short-term employment opportunities. The local communities then set up a structure that selects the labourers and distribute the employment opportunities among the residents. Indeed, the main goal of PWPs in Timor-Leste is to provide short-term employment to the unemployed in rural areas.
- Compared to other areas of intervention PWPs normally count with more regular, stable, and rigorous monitoring and evaluation systems, partially because they are (or were) designed and implemented in close cooperation with development partners like DFAT or ILO. Nevertheless, as with other areas of intervention, rigorous impact evaluation has not ever been conducted and the potential to improve the effectiveness and efficiency of programmes is still large.

²⁵ PESs and PWPs are -usually- publicly financed and government-implemented long-term investment programmes that directly create employment through productive activities with a high labour intensity, rather than through the expansion of civil services. The terms PESs and PWPs are often used interchangeably. By the ILO's definition, while PESs is a policy instrument that has the principal objective of generating employment opportunities, PWPs might place an equal or supreme importance to asset creation and service provision aspects. For the current research, **PESs include the programmes without a specific infrastructure/physical capital element and including foreign and seasonal work schemes. While PWPs include those programmes accentuating the physical capital element.**

²⁶ Leaving apart non-contributory social protection programmes for those who are unfit to work or transfers for veterans.

²⁷ See Annex II. The figure may include errors linked to double counting of beneficiaries participating at the same time in several programmes or of jobs created by the same programme.

- Combining income support and activation measures in an integrated approach to PWPs in rural areas could increase the long term return of these type of intervention. Particularly, adding training and/or entrepreneurship promotion activities (*Kluve et al., 2017; Kluve et al., 2019*) to PWPs could boost employment creation and promote economic growth within the green just transition paradigm in rural areas (*ILO, 2019*).

Budgetary implications and economic treatment of participants. In 2023, the budget allocated to PESs, US\$1,135,660 is much lower than that allocated to PWPs, US\$119,100,383.²⁸ Nonetheless, PESs and PWPs create a similar number of annual full time equivalent jobs, between 2,500 and 4,726 the former and between 3,651 and 4,580 the latter.

While PWPs pay salaries in the range US\$110-227 /month, PES wages range between US\$2,000 /month²⁹ to US\$3,228 /month.³⁰

Some PWP's labourers earn a monthly wage that is above the current minimum wage, US\$135. We assess that the risk of crowding out private sector investment by reducing labour supply is mitigated by the fact that (i) PWP's employment is of short duration, (ii) the upper range of the PWP's wages is still well below the average national wage of US\$252 / month (*GDS & SEFOPE, 2023*), and (iii) there is availability of a large reserve of labour in the market as signalled by low participation rate equal to 30.5% (*GDS & SEFOPE, 2023*).

With respect to PWPs, PESs pay higher salaries because workers are mainly sent to countries with much higher costs of living than Timor-Leste but also because their rationale is to provide the unemployed with an opportunity to earn a temporary income abroad and support their families via remittances, alleviating poverty. It must then be noted that, in 2023, the EPS pays a monthly salary that is 37 times the national monetary poverty line and the PALM pays a salary that is between 47 and 60 times the national monetary poverty line.³¹

Data from the National Directorate of Overseas Employment (DNEE) – only available for the EPS - reveals that for each US\$1 that the government invests in the program, EPS workers send US\$3.20 in remittances back to Timor-Leste, representing a 'rate of return' of 220 per cent. Based on DNEE database, in 2021 2,970 Timorese families³² received an average of US\$740 per month³³ in remittances from EPS workers, normally placing them above the national poverty line.

Implementation challenges

► Unclear assessment of actual benefit beyond income support

- **PWPs.** In the short-run, PWPs mitigate the negative social consequences of unemployment in a context where the private sector does not generate enough jobs. PWPs are based on the rationale that they promote the transfer of skills to workers, allow the unemployed to keep consuming and saving, and create public capital needed to untap profitable investments. These dynamics are also expected to translate into the opening of new businesses, particularly Micro, Small and Medium sized Enterprises (MSMEs), and the creation of new employment opportunities in the private sector. In other words, some former PWPs participants are expected to become entrepreneurs and other employed by the MSMEs born under the light of the programmes themselves. In Timor-Leste, however, since PWPs almost exclusively offer low-skills jobs not always (or systematically) demanded by the private sector, they might not have the expected impact on dynamizing private sector led employment creation in the medium and long-term. Indeed, the evaluation literature shows that these types of interventions are more effective at alleviating poverty and other negative socio-economic consequences of unemployment than at improving the employability or raising participants incomes once programmes end (*Kluve et al., 2017; Kluve et al., 2019*). Confirming whether this is the case in Timor-Leste, where the total budget for PWPs within our sample amounts up to US\$119,100,383³⁴ in 2023, is of the utter urgency in the face of the fiscal cliff that the country approaches as the depletion of the Petroleum Fund comes closer.

28 This amount includes both the capital and labour costs of the programmes.

29 This is the wage paid by EPS.

30 Considering that a full-time job has 2,000 hours/year and PALM pays a maximum hourly rate of US\$19.37/hour.

31 Author's calculation based on [ILO Rapid Assessment Protocol Social Protection Costing Tool](#) and AUD to US\$ exchange rate reported by google at 08/07/2023. The national poverty line in 2023 is estimated in US\$651 after adjusting by inflation. Considering that a full-time job has 2,000 hours/year, and PALM pays a salary of between US\$15.36/hour and US\$19.37/hour, PALM's workers earn between 30,720 and US\$38,740/year. Nevertheless, this is an upper bound since: (i) not all PALM workers enjoy full-time jobs, (ii) some have only seasonal contracts (as opposed to long term ones) and (iii) those seasonal contracts are according to our findings- for more than six and less than nine months.

32 This is an approximation that considers that currently there are 4,499 EPS workers in the Republic of Korea but 1,529 of those were sent in 2022. The estimation assumes that no family has more than one member of the direct household participating in the EPS at the same time.

33 After deducting the cost of the program in that year, which was US\$977,760.

- ▶ **PESs.** In line with the above, no official data or analysis is available on the contribution of workers returning from overseas PESs to the national development and economic growth of Timor-Leste. Key informants consulted for this study expressed serious doubts about returned workers engaging in productive businesses once in Timor-Leste. Although part of the reasons behind this failure are beyond the control of the EPS and PALM interventions, as they relate to the general structure of incentives within the Timorese business environment, the design of these programmes does not contribute to untap the potential benefits of circular labour mobility.³⁵ Indeed, we find that *on paper*, the EPS scheme openly promotes circular labour mobility by (i) allowing good-performing workers, who have returned to Timor-Leste for at least three months, to reengage in the EPS (for a maximum of four years and ten months) or, (ii) by looking to facilitate opening of new businesses in Timor-Leste on the part of returned workers, notably by productively investing their savings and transferring the skills and knowledge acquired in Australia (in the case of PALM).³⁶ In reality, however, Timorese workers normally go to the Republic of Korea and Australia to work in low-skilled positions in the manufacturing, agriculture, hospitality, meat-processing, and fishery sectors,³⁷ hardly gaining any new skill or technological knowledge that they can replicate back home. This hinders the potential benefits that temporary and circular labour mobility can bring to Timor-Leste, the country of origin. Cooperation should be strengthened to facilitate employment in medium-skilled level positions within economic sector that present important comparative advantage for their development in Timor-Leste, like fish-processing, agro-industry, forestry, tourism, and the blue economy in general.
- ▶ **Geographical divide.** The unequal geographical distribution between PWP, concentrated in rural areas, and apprenticeships, internships, and job attachment programmes, concentrated in urban areas, could aggravate territorial inequality favouring the concentration of higher skilled human capital in urban areas.³⁸
- ▶ **Inclusiveness.** Inclusiveness of PALM and EPS programmes could be improved. Only candidates with a particular profile benefit from them because of the nature of employment vacancies and the policies applied by hosting countries. There are no measures in place to facilitate the integration of especially vulnerable groups, like women or people with disabilities. Although the programme is, in principle, open to all type of workers, participation from people with disabilities is unknown and likely non-existent. At the same time, less than 3 per cent of EPS participants, and less than 30 percent of PALM participants, are women. Reluctance from destination countries to accept women for jobs in the manufacturing and fishery sector was mentioned during KIIs performed for this study as a possible barrier.

II. Subsidies to employers for hiring young people

General situation

Wage subsidies compensating for the cost of already employed workers do not exist in Timor-Leste, although they were in place as a part of the COVID-19 policy response to mitigate the negative impact of the pandemic on employment and workers' income (RDTL, 2020).

Subsidies to employers for hiring of young people, compensating partially or totally for the (actual or perceived) additional labour cost (hiring subsidies) associated with training workers with limited experience, are not common in Timor-Leste. An exception is the Green Jobs for Rural Youth Employment (GJ4RYE) programme implemented by FAO which targets 15 to 35 years old. GJ4RYE provides two-year employment contracts to (i) 6 youth in the "Timor-Leste Organic Fertilizer", (ii) 25 youth in the restaurant chain "Uma Lafatik", companies based in Ermera and Dili respectively and (iii) 33 youth with public sector institutions in Baucau and Manufahi. Participants receive a subsidized wage that is set at the national minimum wage level, currently (q2 2023) US\$135/month.

Private sector investors covered by the Law No. 15/2017 of 23 August 2017, on private investment benefit from exemptions regarding the payment of direct and indirect taxes, as well as custom duties. The Private Investment Law does not grant, at first, wage or hiring subsidies, while art. 23 states that investors must comply with "existing labour,

34 This amount includes both the capital and labour costs of the programmes.

35 Circular labour migrants travel between their country of origin and a hosting country repeatedly for several years and long periods of time, which creates a benefit for themselves, and the two countries involved in the mobility scheme (Zapata-Barrero et al., 2012).

36 <https://tatoli.tl/2023/02/21/ajensia-plf-partilla-esperiencia-ba-xefia-sentru-formasaun-sira-kona-ba-benefisiu-mobilidade-laboral/>

37 DNEE databases.

38 Anecdotal evidence suggests that only a very small percentage of the opportunities created by apprenticeships, internships, job attachment happen in rural areas.

tax, and social security legislation and applicable collective bargaining agreements, in accordance with minimum wage legal provisions and best international practices on hygiene, health and safety in the workplace". Nevertheless, art. 38 leaves the possibility of granting wage and hiring subsidies, on a case-by-case agreement, when declaring that "the State may, exceptionally, enter into a special investment agreement with an investor, defining special conditions for investment projects [...] which justifies the adoption of the special benefits provided for in Articles 24 and 25 and other specific non-fiscal benefits to be negotiated with the investor".

► Interventions aimed at supporting youth entrepreneurship

I. Entrepreneurship training within the general education system

Entrepreneurship is seldom incorporated in the curricula of the general education system. Some TVET centres, particularly CNFP – Becora, Don Bosco Professional Training Programme, and ETDA have included some entrepreneurship modules within their vocational curricula.

II. Entrepreneurship training and business support services by government or private organizations outside the general education system

General situation

IADE is the main public body responsible for delivering entrepreneurship training and business support services outside the general education system. [Decree-Law 24/2012](#), art. 5, mandates IADE to i) provide training, capacity building, and accompany the development of the business and cooperative sectors, in collaboration with the relevant entities; ii) coordinate with Business Development Centres (CDEs)³⁹ decentralized actions to foster economic and entrepreneurial development; iii) establish coordination mechanism for the formulation of private sector development policies and strategies; iv) cooperate with other private sector development stakeholder.

Within the programmes in our research sample there are seven interventions providing entrepreneurship training and business support services to an estimated maximum of 2,156 people per year. Out of this seven, entrepreneurship training and business support services is the main component in three: the Academy for Women Entrepreneurship Programme (AWE), the Gender and Entrepreneurship Together (GET ahead) - Spotlight Program, and the UNDP-YEES programme. Together they have an estimated budget of US\$1,099,454 for 2023.⁴⁰ These three programmes focus on equipping participants with core business skills, on providing opportunities for networking, and on supporting in the development of business plans for start-ups, or in the improvement of existing business models. IADE is actively involved in the delivery of training within the GET ahead and YEES programmes.

In addition to IADE and the above-mentioned projects, local and international NGOs, like Mercy Corps,⁴¹ Fair Trade,⁴² or Alola Foundation⁴³, also provide support services to agricultural entrepreneurs and other vulnerable population groups. Many of these NGOs also partner with IADE for the design and delivery of business training to entrepreneurs.

Design. Most of the seven interventions providing entrepreneurship training and business support services combine those with other services, particularly access to finance (mostly in the form of grants). Such approach has been proven to be more effective for entrepreneurship promotion interventions (Kluve et al., 2017; Chinen et al., 2018) including in least developed countries like Timor-Leste (*Senou & Soro, 2022*). In this sense, Timor-Leste is following the recommended path.

39 CDEs are sub-national delegations present in all municipalities, except Atauro, that support IADE in the uniform implementation of programmes aiming at building the capacity of the national business fabric and support sustainable development.

40 Approximately 92% of the funding correspond to a single intervention, the YEES programme implemented by UNDP.

41 <https://www.mercycorps.org/where-we-work/timor-leste>

42 The case of Fair Trade provides a good example of the possible size and scope of NGO led assistance for business development. Indeed, Fair Trade activities are geared toward the support of (certified coffee) producer organizations and a significant number of coffee farmers, and an estimated 5,000 individuals benefitted from its support in the most recent years. The organizations/individuals are coached to ensure quality standards, fostering good governance practices, while promoting the active involvement of youth and women. Specific leadership courses for women are combined with more business-related ones. Those courses were attended by 600 young women since 2020. <https://fairtradeanz.org/what-is-fairtrade/where-fairtrade-work/fairtrade-in-timor-leste>.

43 <https://www.alolafoundation.org/>

Regarding the three programmes whose primary area intervention is specifically entrepreneurship training and business support services:

- ▶ Only GET ahead does not facilitate access to finance to participants (who could, however, still seek for financial resources in the open market). For the others, the amount of funding provided to successful trainees (the winners of the business competition) varies largely, ranging between US\$1,440 and 4,000 in AWE and between US\$2,000 and 3,000 in YEES.
- ▶ The duration of the training and support is possibly short (to have significant positive impacts)⁴⁴, except for YEES that engages participants for between 6 and 36 months depending on their performance and willingness to stay in the programme. AWE lasts approximately one month and GET ahead only a few days.
- ▶ They target specific groups: women and vulnerable youth (AWE, GET ahead) and university students (YEES). The YEES programme also intends to provide pre-incubation training to migrant workers in the Republic of Korea EPS so that they can contribute to the development of the private sector in Timor-Leste upon their return. The AWE and GET ahead programmes do not present any linkage with the foreign employment schemes.

Size coverage. As a summary measure, one can note that current beneficiaries of entrepreneurship training and business support services targeting youth (below 35 years) represent some 8 per cent of the unemployed aged 15-35 years old.⁴⁵ On a related note, it should also be borne in mind that programmes establish eligibility requirements that are not necessarily being unemployed, like owning an active operational business (AWE).

Geographical distribution. Within our sample, training (and training + finance) opportunities appear to be available across the whole national territory. Table 4 shows that, under the optimistic scenario where the maximum number training opportunities are available, only up to 7 per cent are concentrated in Dili, with the percentage going down to 2 per cent if we also consider interventions that provide business training as a secondary component. When considering interventions where business training is the main or secondary component 88 per cent of the training opportunities are available across the whole national territory. Two per cent of the opportunities concentrate only in rural areas, while 3 per cent in urban areas including Dili.

Our calculations show that most business/entrepreneurship training opportunities in our sample are exclusively targeted to youth, 76 per cent of those where training is the main component and 72 per cent of those where the training component is secondary. At the same time, the training opportunities targeting youth available across the whole national territory represent 69 per cent of the total, while those only offering training in rural areas or in Dili represent 2 per cent of the total respectively.

Table 4: Entrepreneurship training and business support services opportunities. Share of training opportunities in programmes where training is either main or secondary component by targeting (youth or unspecified) and location (Dili, Whole National Territory, Whole rural territory, Limited National territory).

	Business/entrepreneurship training as main Component	Business/entrepreneurship training as secondary Component	Total
Youth (15-35) Targeted	76%	72%	73%
<i>Dili</i>	7%	0%	2%
<i>Whole National rural territory</i>	0%	2%	2%
<i>Whole National territory</i>	69%	70%	69%
Unspecified Targeting	24%	28%	27%
<i>National urban</i>	0%	1%	1%
<i>Limited National territory</i>	24%	0%	7%
<i>Whole National territory</i>	0%	27%	19%
Total	100%	100%	100%

⁴⁴ The literature shows that entrepreneurial support oriented ALMPs that last more than 4/5 months deliver larger positive effects on participants' labour market outcomes (Kluve et al., 2017 and 2019).

⁴⁵ Estimated as the minimum and maximum number of participants in AWE and GET ahead reported in Annex III divided by total unemployed aged 15-35 years old according to 2022 TLPHC data.

Implementation challenges

Possible duplication. There are several programmes offering entrepreneurship training and/or access to finance active in Timor-Leste. Investigation conducted for this study (see Annex III) highlights how many (although certainly not all) of the active programmes target similar beneficiaries creating a risk of duplication. Indeed, while the existence of different programmes providing the same kind of service is not necessarily questionable if those allow to satisfy the demand, some programme managers interviewed for this study claimed that there are people successfully rotating as beneficiaries of interventions offering similar support, notably training plus financial assistance. This is possible-we argue- because of the lack of coordination and monitoring of participants which enables those rent-seeking behaviour likely penalizing other deserving candidates.

III. Special access to financial services for young entrepreneurs (capital, insurance, and banking) provided by government or private organizations

General situation. Lack of capital availability and liquidity is often mentioned as a critical barrier to entrepreneurship in developing countries. In Timor-Leste the relevance of such barrier is possibly less substantial as hinted by our investigation and informants. Other than commercial credit, in 2023, more than US\$53 million in funding were available to entrepreneurs just through the programmes included in our sample. Most of it, US\$50.7 million (mainly soft loans) were not exclusively reserved for youth. Our calculations show that between 2,710 and 3,120 entrepreneurs benefitted last year of subsidized financing and around 80 per cent of those are aged under 35 years old.

Ten of the programmes in our inventory include a component to facilitate “access to financial services for young entrepreneurs”, with six having this component as their main area of intervention. Among these six programmes, only two, the Business Innovation Challenge Competition (KNI) and the Incentivising Youth Social Entrepreneurship in Sucus (EESJS) consider only youth (below 35 years) as eligible.

Design

Soft credit programme. The largest programme under the area “access to financial services for young entrepreneurs” is the Soft Credit Programme, which has a loan purse of about US\$50 million. The purse is destined to finance loans at discounted market rates of 3 per cent. Beneficiaries (individuals or companies) must provide guarantees for up to 100 per cent of the credit amount⁴⁶ and pay annual interests at a 3 per cent rate. Up to date (q2 2023) only 46 loans have been approved for a total value of US\$737,394, representing only 1.5 per cent of the available funding. In theory the programme provides loans between US\$1,000 and US\$1,000,000, with the minimum and maximum credit amount depending on the size of the company. Nevertheless, there appears to be some flexibility as one medium company obtained a loan for US\$25,000 when the minimum credit amount for companies of such size was defined as US\$150,000.⁴⁷ The scoring criteria and the evaluation assessment grid are public although not necessarily always available on a functioning website.

The programme is open to all entrepreneurs, not exclusively youth, but the complex bureaucratic procedure that applicants must navigate to access the loans create a barrier difficult to overcome for most Timorese, particular the youth. The YEES programme has started to provide technical assistance to young entrepreneurs who wish to apply for the soft loans likely helping to reduce access barriers. As of July 2023, 17 MSMEs that have applied to the programme and are awaiting an awarding decision.

Start-up grants. The biggest in size grant programme for start-ups is the SEFOPE’s programme providing entrepreneurship incentives for the unemployed. It can subsidize up to US\$150,000 per undertaking/group.⁴⁸ This is equivalent to the maximum loan amount that the Soft Credit programme can provide to small enterprises. Beneficiaries from SEFOPE’s incentives must cover with their own funding 30 per cent of the value of their business proposal. These conditions are somehow more advantageous than those offered to small enterprises accessing the Soft Credit programme. There, small companies must provide guarantees for up to 50 per cent of the credit amount⁴⁹ and pay annual interests at a 3 per cent rate.

⁴⁶ Micro enterprises must guarantee 25 per cent of the loan amount.

⁴⁷ UNDP-YEES Loan Guarantee Facility infographic.

⁴⁸ This maximum amount has been contested by the Anti-Corruption Commission. See Annex III for details.

⁴⁹ Micro enterprises must guarantee 25 per cent of the loan amount.

Smaller start-up grants provided by organizations like IADE or the AEMTL are completely free and do not require beneficiaries to top up or offer additional guarantees to obtain the funding. The grant amount that a single individual/ MSMEs can obtain varies widely. IADE's Business Plan and Innovation Competition (KPNI) awards a minimum of US\$500 grant and a maximum of US\$5,000. MTCI's KNI provides free funding between US\$2,487 and US\$12,646.

For any of the grant offering programmes, it is important to ensure that grants are large enough to start-up the type of businesses that they are subsidizing. At the same time, it is critical to note that the amount disbursed does not guarantee the success rate, with the literature often showing that programmes providing less funding per beneficiary still had large positive impact on self-employment (*Blattman et al., 2014*).

Geographical distribution. Table 5 shows how the six programmes having as main component the provision of facilitated access to financing allocate the available funding (US\$51,676,37) across the territory depending on their priority group and type of youth targeting. Most of the available funding, 96.8 per cent, can be accessed by all business owners independently of where their business is located. Only 2.0 per cent of the total funding is reserved for youth 15-35 years old, with 1.9 per cent of the funds earmarked for applicants required to have an operational business and 0.1 per cent open to all those youth living in rural areas. Another 1.2 per cent of the total funding envelope is reserved to the unemployed, independently of whether they are youth or not.

Summing up, most of the funding is not targeted to marginalized or especially vulnerable groups possibly leaving room to distortionary effects such as non-vulnerable enterprises benefitting from funding below market rate.

Table 5: Special access to financial services for young entrepreneurs. Percentage of total allocated funding by geographical location, beneficiary (all population, business owners, unemployed) and targeting (youth or unspecified).

	Universal	Business owners	Unemployed	Grand Total
Youth (15-35) targeting	0.1%	1.9%	0.0%	2.0%
National all	0.0%	1.9%	0.0%	1.9%
National rural	0.1%	0.0%	0.0%	0.1%
Unspecified targeting	0.1%	96.8%	1.2%	98.0%
National all	0.1%	96.8%	0.0%	96.8%
National urban	0.0%	0.0%	1.2%	1.2%
Grand total	0.2%	98.7%	1.2%	100.0%

Implementation challenges

Disbursement policies. Leaving aside the discretion to be warranted to private sector operators strict implementation of the scientific criteria included in the soft credit guidelines is to continue, while the latter need to be openly and easily available to the public. In all cases, awarding one or another type of financing to individual undertaking should indeed be based on the above criteria to avoid crowding-out effects (*Brown & Koettl, 2015*) as economically unsustainable businesses can turn momentarily profitable due to preferential access to cheap capital, displacing and leading to bankruptcy those that were economically sustainable in the medium and long term.

Multifaceted support (or lack thereof) and support to returning migrants (from foreign employment programmes). Financing itself might not be enough to untap the entrepreneurship potential of youth in Timor-Leste (*Senou & Soro, 2022*). The literature contains abundant examples of highly effective and impactful interventions coupling financing with entrepreneurship training and technical assistance (*Kluve et al., 2017 & 2019; Chinen et al., 2018*). This is especially the case in countries in the Global South (*Kluve et al., 2017*). Table 6 shows that in Timor-Leste only US\$1,029,374 out of the US\$51,676,374 in funding to facilitate access to finance for entrepreneurs goes to programmes that include a training and business support component. These programmes engage participants for long periods, between 18 and 31 months, likely enhancing their impact compared to shorter interventions that prioritise the training component but provide less financing.

Table 6: Special access to financial services for young entrepreneurs. Available programme funding⁵⁰ and duration in months, by design elements (training and link with foreign employment programme)

Training and business support	No link with foreign employment programmes			Unclear or “on paper only” link with foreign employment programmes		
	Funding (US\$)	Duration (min)	Duration (max)	Funding (US\$)	Duration (min)	Duration (max)
<i>Included</i>	37,338	19	31	992,036	18	24
<i>Not included</i>	50,047,743	12	120	599,257	10	10
All	50,085,081	12	120	1,591,293	10	24

No funding is clearly allocated to returning migrant workers possibly losing the opportunity to foster the positive effects that migration schemes – EPS, PALM – could bring in terms of skill transferring, technological innovation, and foreign direct investment. Of the total envelope of US\$51,676,374, only US\$1,591,293 (about 3 percent) is reserved to programmes that have some sort of linkage with foreign employment programmes. From that total, approximately 62 per cent of the funding (US\$992,036) goes to programmes including training and business support components, while the rest, 38 per cent (US\$599,257), goes to programmes that only facilitate access to financing.

IV. Special market shares for youth for government contract or similar

No interventions were identified in this area. Anecdotal evidence indicates that a share of government contracts for the construction of public infrastructure (schools, roads, etc.) is reserved for veterans (thus possibly displacing youth-led start-ups). While pension entitlements (and other benefits such as scholarships, health benefits) are passed on from veterans to their direct descendants through survival pensions, we could not find any confirmation that the same applies to the special market shares mentioned above, although it may be a possibility.

⁵⁰ Includes programmes' operational costs.

► D. Interventions aimed at facilitating the (re)integration of youth from vulnerable backgrounds

I. Psychological and career counselling and training services for: juveniles, first offenders, youth emancipating from crime and youth from problematic background

General situation. Few programmes exist aimed at (re)integration in the labour market of youth from vulnerable backgrounds including juveniles and first offenders.

Inmates and released juveniles

UNICEF, in partnership with “Jesuit Social Services”, implements a Juvenile and First Offenders programme in the detention centre of Becora since 2022. The programme is available to inmates that are 15 to 20 years old when entering the centre and according to UNICEF self-reported data it covers approximately 87 per cent of all the eligible inmates. Participants can take vocational training courses in the areas of welding, tailoring, and IT and receive mental health psychosocial support services.

The government of Timor-Leste funds the operational costs of running the Becora detention centre and cover the basic needs of young inmates, like feeding and hygiene. Although there is a separate module for this population, the centre is a general detention centre where juveniles and first offenders coexist with older offenders. This is a suboptimal situation for learning a trade, implying additional risks for younger inmates’ physical security, and hindering their reintegration process.

Currently, the Becora centre is the only one hosting youth which implies that it counts within its population youth from Baucau, Liquiça, Dili, Bobonaro, Viqueque, Lautém, Aileu, Same and Manufahi, including some from isolated rural areas. Families of the inmates whose hometowns are far away from Dili might find impossible to visit them due to the cost that it implies.⁵¹ The Ministry of Social Solidarity and Inclusion (MSSI) has a programme to facilitate family visits, but it finances only one per year, which is clearly insufficient (*RDTL, 2021*). Constant and regular family support and contact is paramount for the successful reintegration of inmates.

Funding for training, psychological support, and career counselling comes exclusively from UNICEF regular resources. UNICEF has a budget of US\$30,000 per year for these activities. Although, the resources in UNICEF’s own assessment are currently adequate to provide the level and quality of services required by young inmates, the future implementation of the open regime⁵² will require to scale up the resources allocated to the programme.

At the moment, UNICEF programme is not able to provide job placement to participants upon their release and no former participants has reportedly been able to find a job. MSSI only makes a one-off payment of US\$350 to former prisoners and cover the cost of transportation back to their hometowns, but it only covers 11.7% of the former prisoners (*RDTL, 2021*). Nevertheless, there is always the risk that families do not want to shelter back the former inmates. Such a risk would be mitigated or avoided if released prisoners are job-ready or already employed thank to their participation in activation activities within the framework of the open-regime.

The soon to be implemented open regime can be an opportunity to enhance the activation component of the reintegration process, allowing young inmates to undertake TVET courses in accredited and registered centres, participate in other ALMPs targeting the youth, or even find a regular employment. This would facilitate the reintegration of young inmates better preparing them to re-enter the labour market upon release, allowing them to save and facilitating the contact with their families. It could also reduce the cost that detention centres pose to the public finances if employed inmates must pay, partially at least, their living and accommodation costs.

⁵¹ More than 40% of Timorese people live below the national poverty line (World Bank, 2016).

⁵² Under the open regime young inmates will be allowed to exist the prison during daylight for activities favouring their reintegration, being obliged to return to the detention centre only at night-time.

Victims of abuse

There are 10 public shelters in Timor-Leste for victims of abuse and vulnerable populations, particularly women and children's victims of domestic violence (*MSSI, 2023*). These centres are called Uma Mahon. Uma Mahon have a limited capacity and they must deal with more cases than those for which they can provide shelter. In 2022, 8 Uma Mahon handled 646 cases out of which they "reintegrated"⁵³ only 413, or 64 per cent. Uma Mahon can only provide shelter for a few months, which is not enough to ensure that abusers have been processed by the judiciary.

Regarding labour market integration, these public shelters do not provide survivors with professional training and career counselling to economically empower them and facilitate their reintegration in the society as independent individuals. This creates the risk that upon release survivors will have to go back to live with their abusers, becoming again victims of violence.

Partially tackling the issue of labour market (re)integration of victims of abuse, the NGO Casa Vida Timor-Leste established a shelter for young women from extremely vulnerable backgrounds and victims of (sexual) abuse. Casa Vida has an offer of seven life skills training courses for survivors. The NGO also provides health and wellness services and manages two social businesses, Aroma and Arte Vida, which give employment opportunities to victims of abuse.

Casa Vida is open to adolescents and children aged 0 to 18 years old⁵⁴ from across the whole national territory. Nevertheless, its facilities are only located in Dili, reducing the accessibility for vulnerable populations from rural and remote areas. Additionally, its sheltering capacity is very limited, despite having hosted more than 300 young women and children's victims of abuse since its opening. Currently, Casa Vida accommodates 40 young women and children, which represent less than 7 per cent of the total cases of violence referred to MSSI in 2022.

53 MSSI Key Informants defined reintegration as the moment when survivors are accepted back by their family members and go to live in their family house.

54 With flexibility.

Conclusions and recommendations

► Conclusions

The present research project has extensively reviewed 32 programmes within the scope of youth employment and active labour market policies implemented by Timor-Leste's government – excluding municipalities – and development partners, with occasional references to CSOs and sub-national governments' programmes.

Within the category of interventions aimed at facilitating the school to work transition for young women and men via **job attachment schemes**, the research has identified 13 programmes providing between 1,207 and 2,855 apprenticeships, internships, or otherwise defined opportunities per year. Amongst those, paid internships are mostly reserved to university students, which might increase the gaps in terms of labour market performance between them and vocational students (*O'Higgins & Pinedo, 2018*). Duplications, overlapping of participants, weak participation of private sector organizations, and deficiencies in targeting of participants are other weaknesses possibly limiting the positive impact of apprenticeships, internships, and job attachment programmes. Programmes within this area of intervention also present important strengths that should be kept, replicated, and scaled up by future interventions. Amongst those, all the programmes providing a regulated financial compensation pay above the minimum theoretical unemployment. Finally, some programmes include linkages with foreign employment opportunities leveraging the benefits of international labour mobility. This is especially the case in programmes prioritizing youth with a TVET background.

A more challenging environment surrounds the provision of **job brokering and job search assistance services**. CEOPs are the public institution that should be leading these interventions. While an estimated and meaningful 67 per cent of the unemployed are registered in them, the outreach to out of the labour force individuals is limited and so is the number of published vacancies. More can be done to increase CEOPs reach and promote registration. For instance, the introduction of transport subsidies for unemployed jobseekers is recommended as those are a very cost-effective job search assistance policy that, in similar developmental contexts, has increase youth employment and positively supported the transition from rural subsistence economies to urban industrial ones (*Akram et al., 2017; Franklin, 2018*).

Still, regarding job brokering, while there are private providers, their operations are barely regulated or monitored. This may become particularly worrisome if jobs brokered do not warrant respect for fundamental labour standards.

CEOPs are confronted with several challenges being underfunded, lacking the necessary equipment and human resources to deliver their services, and encountering important challenges regarding the operationalization of IT systems.

CEOPs also count with some strengths and support. For example, they have physical facilities in all municipalities, except in Atauro, and UNDP's is supporting the full operationalization of their IT systems, the SIMU WEB job portal.

CEOPs are also de facto the only institution providing **educational and career guidance**. This is done via their activities in schools and with job fairs. Nevertheless, these interventions do not happen regularly, and benefit a small number of youth (estimated between 4-9 per cent of the total population per year).

Regarding **labour rights awareness and sensitization**, the outreach is extremely limited and embedded within the career guidance activities performed by CEOPs or within the activities of KSTL. The latter, normally targeting only its (new) members, are carried out within its training centre (CEFOSAP) or via ad hoc sessions.

Within the category of interventions aimed at providing **job opportunities for youth**, the research has identified six **public employment schemes** including four **public work programmes** interventions. Overall those create between 6,151 and 9,306 full-time equivalent jobs per year, although no share is specifically reserved for youth. Public work programmes and public employment schemes interventions have a large impact on poverty alleviation contributing to bridge decent work's gaps in Timor-Leste.

Public work programmes in Timor-Leste follow the community-based model, ensuring the inclusion of local communities in the decision-making and a fairer distribution of the programmes' benefits. While public work programmes have stronger monitoring and evaluation systems than programmes in other areas of intervention, it is however likely that these interventions are less effective to improve the employability or raise the incomes of participants once programmes end (*Kluve et al., 2017; Kluve et al., 2019*). Also, the unbalanced geographical distribution of public work programmes, concentrated in rural areas, and apprenticeships, internships, and job attachment programmes, concentrated in urban areas, could aggravate territorial inequality favouring the concentration of higher skilled human capital in urban areas.

Overseas public employment schemes present a very high '*rate of return*'⁵⁵ equal to 202 percent, and have a huge impact on poverty alleviation. Nevertheless, they seem to be failing at promoting the transfer of skills and technology that is expected from circular labour mobility. The underlying reason is twofold. First, Timorese workers go to the Republic of Korea and Australia to work in low-skilled position. Second, the business environment back in Timor-Leste does not enable investments from returning migrants and reintegration policies do not make it more attractive.

Wage subsidies for employers to hire youth are not available in Timor-Leste. Hiring subsidies-barring distortionary effects and abuses-could be more effective to enhance the employability of workers than other labour market policies, particularly than public employment schemes and public work programmes, conditioned on being paid for a limited period, covering only new hires, and targeting the most disadvantage youth (*Brown & Koettl, 2015*). GJ4RYE is the only identified programme that includes a component that resembles hiring subsidies for youth. It provides employment to 31 participants per year in two different private companies and to 33 in public sector institutions.

Within the category of interventions included in our inventory aimed at **supporting youth entrepreneurship** there are seven programmes including a **training and business support services** component and ten including an access to finance facilitation component. Between 2,710 and 3,120 entrepreneurs can benefit every year from subsidized financing. Around 80% are aged between 15 and 35 years. Entrepreneurship training (and financial literacy) is not yet embedded within the general education system providing an immediate entry point for potential interventions aimed at fostering future private sector development. There are no provisions for **special market shares for youth** for government procurement.

A strength of the interventions supporting young entrepreneurs is that most of them combine several services, particularly **training and access to financing**, which has been proven to be more effective in general and especially for entrepreneurship promotion interventions (*Kluve et al., 2017; Chinen et al., 2018*). The instruments available are very varied, which should help to fit the needs of different types of entrepreneurs. The minimum grant and subsidized loan amounts are possibly higher than in other developing countries where similar programmes have delivered large and significant positive impacts on labour market outcomes (*Blattman et al., 2014*). The funding of programmes primarily facilitating access to finance for entrepreneurs is US\$51,676,374 in 2023, however 98 per cent is not specifically target to youth. Some programmes target specific vulnerable populations including women entrepreneurs, unemployed, and rural youth.

Most financial facilitation interventions imply long periods of engagement. Only AWE and GET ahead are below 4/5 months. Entrepreneurship promotion interventions do not present a clear link with circular labour migration policies, except for YEES. YEES intends to provide pre-incubation training to migrant workers in the Republic of Korea EPS so that they can contribute to the development of the private sector in Timor-Leste upon their return.

No intervention implemented by the government has been identified within the area of **reintegration of youth from vulnerable backgrounds**. Only a CSO, "Jesuit Social Services", is acting within this area of intervention with the support of UNICEF. Moreover, UN agencies and CSOs have limited capacity to fill the gap left by the government in this area.

Following UNICEF self-reported data 87 per cent of the eligible inmates participate in the Juvenile and First Offender programme, receiving vocational training and psychosocial support. The programme must deal with challenges like the co-habitation with general prisoners, and difficulties to arrange family visits for participants from rural areas.

55 For each US\$1 that the government invest in the program, EPS workers send US\$3.20 in remittances back to Timor-Leste.

The introduction of the open regime could be an opportunity to enhance the effectiveness and efficiency of the programme, facilitating the reintegration of ex-prisoners into the labour market.

There are 10 public shelters, Uma Mahon, in Timor-Leste for victims of abuse and vulnerable populations, particularly women and children's victims of domestic violence (MSSI, 2022). Uma Mahons do not provide survivors with professional training and career counselling, and they do not have capacity to shelter all those who are in need.

The NGO Casa Vida provides shelter for young women from extremely vulnerable backgrounds and victims of (sexual) abuse. As opposed to Uma Mahon, Casa Vida has an offer of seven life skills training courses for survivors. The NGO also provides health and wellness services and manages two social businesses, Aroma and Arte Vida, which give employment opportunities to victims of abuse. Nevertheless, there is only one shelter in Dili, which hinders the access to the most vulnerable rural populations, and its capacity is very limited. Casa Vida currently accommodates 40 young women and children, which represent less than 7 per cent of the total cases of violence referred to MSSI in 2022.

► Recommendations

The following recommendations are specifically aligned with the objectives set by the 2021-2025 [UNSDCF](#) for Timor-Leste, the [Timor-Leste IX Government programme](#), the [2017-2030 NSE](#), the [2016 NYP](#), and the [2022-2027 NYAP](#):

- **A new role for CEOPs.** Timor-Leste already counts with some institutional resources and public services that could be scaled up and strengthened to provide job brokering, job search skills, and career guidance assistance. The first steps in this direction would undoubtedly consist in strengthening the institutional capacity of CEOPs, by:
 - Clearly regulating their mandate and services. This study confirmed that not only awareness of CEOPs existence and activities is limited but also that there is confusion regarding their mandate.
 - Endowing them with the necessary human, financial and physical resources. While not new, the issue becomes particularly relevant if it is envisaged to have a single one-stop shop coordinating the offer of activation policies.
 - Embedding in their operations the conduction of systematic **outreach activities to private sector organizations, employers, and school students. The latter-in the shape of career and educational guidance- is an underattended area of intervention.** Job search assistance -when performed- is only provided once students enter the job market, while educational and career guidance should be an integral part of it and start at an earlier age. The most efficient and effective strategy to roll-out a career guidance programme passes by properly resourcing CEOPs.
 - Ensuring that CEOPs regularly perform a mapping of ongoing ALMPs and have a concrete idea of the results that they deliver to be able to refer their customers to the programme that better suits their needs. The present study could be a baseline for any future endeavour in this sense.
- **Systemic formulation and management of labour market policies.** Labour market policies must be designed adopting a structural approach to be effective. In this sense:
 - Having **a coordinating mechanism or at least a lead institution** (possibly CEOPs) can help exploit complementarities and avoid gaps and duplications. This study highlights how such coordinating body is currently missing, for instance regarding the entrepreneurship and financial support area. While further reflection is required to identify the best institutional arrangement⁵⁶ the need is compelling. Once designed and adequately mandated the body could help -in particular- to ensure the systematic offer of a broader range of services to youth in need and a more equal access to opportunities so that turnover amongst the beneficiaries (youth or companies) is warranted.
 - **Single registry of beneficiaries of public ALMPs.** Historical records of participants in publicly funded and/or implemented ALMPs would prevent rent-seeking behaviours that hinder their effectiveness to improve participants' labour market outcomes. This study has collected anecdotal evidence of people repeatedly

⁵⁶ Our first suggestion would be to leave the regulatory, coordination, and monitoring role to SEFOPE while IADE should be regarded as the implementing agency providing training and special access to financial services to entrepreneurs.

participating in similar job attachment and business training programmes with the goal of receiving a subsidy and not of launching their professional career or own business, the intended objective of these programmes. Key informants have also reported cases of people participating in more than one PWP at the same time, although job rotation is supposed to be a main feature of their design. Timor-Leste currently has multiple unconnected databases for the provision of social protection benefits, and it is in the process of implementing a unique national ID (*Madan & Isgut, 2022*). Both elements could be used as starting point for the development of a single registry of ALMPs' beneficiaries. Making information on programmes' beneficiaries publicly available every year would prevent abusive and rent-seeking behaviours.

- ▶ **The improvement of the business environment taking into account youth led recommendations must accompany any interventions aimed at fostering youth entrepreneurship.** As the study shows, Timor-Leste has already in place a variety of interventions promoting entrepreneurship through training, business support services, and mechanism to facilitate access to finance. Not all deliver the expected results. While, as highlighted in the study, some design issues are at stake (see below), there are also systemic barriers which may doom any provided support. Addressing those barriers is prioritized by government and development partners but, we claim, there is need to have a specific youth angle in the analysis of implementation challenges and solutions.
- ▶ Timor-Leste could explore **resorting to other instruments provided by the ALMPs' toolbox** to promote youth employment. Notably, the virtues of **hiring subsidies** to promote youth employment have long been claimed in OECD countries,⁵⁷ while the judgement on their impact in environments with high informal economies is pending. Hiring subsidies are intended to minimize the risk for employers associated with the (actual or perceived) reduced productivity of new hires with limited work experience, limiting the distortionary effects in comparison to wage subsidies.⁵⁸ In addition, hiring subsidies can be more effective to enhance the employability of workers than other ALMPs, particularly than public employment schemes and public work programmes, if conditioned on being paid for a limited period, covering only new hires, and targeting the most disadvantage youth (*Brown & Koettl, 2015*).
- ▶ **Targeted improvement in the design of certain interventions**
 - ▶ **Offer of entrepreneurship training.** While already considerable, the number of entrepreneurship training opportunities could be **increased** to cover a larger share of the unemployed population and possibly embedded within the secondary education system. In addition, it is recommended for participants' engagement to go beyond the 4/5 months. Entrepreneurship promotion is a very effective intervention to create employment opportunities in low and low-middle income countries (*Kluge et al., 2017*), and in Timor-Leste it could **contribute, if coupled with proper incentives and suitably designed, to employment formalization⁵⁹ and the transition to a more modern market economy.** Although IADE currently has in its portfolio or collaborate in several interventions that provide business training and support services to entrepreneurs (FIN, KNPI, KNI, GET Ahead, etc), customization to the needs of youth is limited and their link to formalization policies need to be strengthened.
 - ▶ **Conditions of work in job attachment schemes.** Ensure, where warranted, a systematic change in the approach to apprenticeships, internships, and job attachment programmes by:
 - enabling them to become a **suitably remunerated training opportunity (with appropriate plans and reporting)** rather than an opportunity to get free labour thanks to subsidized salary. In this sense, ILO Quality Apprenticeships Recommendation, 2023 (No. 208) would provide the guiding principles.
 - ensure a **more homogenous access across the national territory** -to the extent that limited rural private sector allows-, even by establishing suitable funding schemes, since most of the offer/beneficiaries concentrate in urban areas, particularly in Dili. This would also allow a more balanced ratio of beneficiaries between job attachment programmes (now urban, tertiary education students) and public work

57 OECD (2011), amongst others, claims potential benefits in tax cuts for employers who hire low-skilled workers - particularly youth and the long-term unemployed.

58 To elaborate further, Cazes et al. (2009) claim that subsidies for hiring youth may have limited unexpected consequences because (i) it is unlikely that young people would find an employment in the absence of the policy (no deadweight effect), (ii) youth would not replace other workers who would be hired in the absence of the policy (no displacement effect), or (iii) youth would not be assigned responsibilities that should be entrusted to more skilled and qualified workers.

59 In Timor-Leste informality has trended upward in the last years, with more than 70% of the employment being informal in 2021 (*GDS & SEFOPE, 2022*).

programmes (now, low skilled in rural areas) contributing to an equilibration of human capital stocks across the territory.

- consider, when and if adequate implementation is ensured, an increase in **the subsidized opportunities (currently limited)**.
- ▶ **Design of public work programmes.** Combining income support and activation measures in an integrated approach to public work programmes in rural areas, in particularly combining them with training and/or entrepreneurship promotion.
- ▶ **Extend the knowledge of labour rights and legislation amongst the youth.** Our review clearly shows that new entrants in the labour market have extremely limited opportunities to develop even basic knowledge of the labour rights and legislation. This most likely affects their productivity and growth as workers. A structured attempt to raise knowledge of at least key elements of labour legislation performed with both social partners and possibly under the aegis of a public institution (SEFOPE or MEJD) could deliver significant gains.
- ▶ **Linkages of activation programmes with foreign employment programmes.** Stronger links to circular labour migration policies to incentivize returned workers to invest their capital and newly acquired skills in the development of the national private sector appear warranted. While the options are several, a direct connection with entrepreneurship support programmes and job brokering assistance may be starting points.
- ▶ **Public employment schemes (foreign employment).** Increasing overseas temporary employment programmes might be challenging in the current geo-political context but probably warranting a try. The entry of Timor-Leste in the ASEAN could facilitate this and other labour circular migration policies. Once links with activation measures (see above bullet) are enacted there is room for Timor-Leste to increase the number of youth temporarily migrating to the Republic of Korea (extremely low unemployment rate) and possibly Australia. Timor-Leste can also bargain to arrange G2G agreements with other OECD countries, taking advantage of their relatively low unemployment rates and leveraging existing relationships with Japan and the EU.
- ▶ **Reintegration of offenders.** Although the issue is possibly complex, the fact that juveniles and first offenders coexist with older offenders in detention centres is a possible limitation for their reintegration based on productive employment. Separate reintegration centres for juveniles and first offender could lead to more desired labour market outcomes. Approaching private sector to make it part of the reintegration process, even via targeted incentives, appears a much needed missing element for an effective offender rehabilitation process.
- ▶ **Reintegration of victims of abuse.** While a handful of intervention specifically target reintegration of victims of abuse the quality, regularity and comprehensiveness of monitoring and evaluation systems within this area of intervention is limited. There is little or no tracking of the impact of interventions on labour market outcomes and other socio-economic variables of those engaging in these programmes. Follow-up systems are more important in this area of intervention than in others given their relationship with situations of violence, breach of the law, and the high risk that beneficiaries fall back to situations of vulnerability and danger if proper support is not provided to them. Once the above monitoring and evaluation mechanism are in place, the recommendation is to scale up those programmes providing a portfolio of services such as psychological support, career counselling and training services. In this sense, the network of Uma Mahon centres could be expanded, and their facilities enlarged to reach a coverage rate of 100 per cent of the targeted population and improve accessibility to those living in the most remote and isolated areas.
- ▶ **Monitoring.** Entrench -via adequate resource allocation- in every single ongoing programme the monitoring of labour market outcomes and other socio-economic variables of interest of participants in ALMPs across all areas of intervention. Far too often there is no tracking of beneficiaries once they conclude the programmes.
- ▶ **Evaluation.** While not universally applicable, the systematic evaluation of the impacts of the different programmes based on their rationales and theories of change is dramatically missing with respect to youth employment interventions. A substantial increase in programme evaluations (today almost exclusively associated to technical cooperation projects by development partners), including, where possible, impact evaluations will contribute to determine return on investments. In this sense, an impact evaluation of YEES and/or GJ4RYE, both multidimensional programmes providing the relative impact of different combinations of interventions, could be particularly valuable.

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► Annex 1. Interventions aimed at facilitating the school to work transition for young women and men

National Internship Programme (<i>Programa Estájiu Profissional</i>)	
Primary area of intervention	Apprenticeships, internships, job attachment programmes for recent graduates from secondary, vocational or tertiary education with or without stipend.
Secondary area of intervention	None
Main programme operator and implementing partners	The programme is operated by the National Internship Department of DNFP since 2013. Apart from the private sector and government institutions hosting the Interns, UNDP ⁶⁰ , FDCH, and CNFP-Becora are partners in the implementation of the programme.
Elements of the design and operations	DNFP consults with private companies and NGOs – secondarily with public institutions - on their needs and availability to host interns. ⁶¹ DNFP advertise the vacancies and recruit the interns for an in-country or international internship. ⁶² The programme covers the whole national territory. ⁶³ Interns participate in a one-day briefing session. Every two weeks DNFP visits interns at the workplace and offer them operational and psychological support. Interns keep an activities daily log and must submit a final report to DNFP, which also asks hosting institutions for feedback and awards them a certificate.
Eligibility and targeted group	The programme targets three types of participants: • Timorese students graduating from registered and certified TVET centres. • Students graduating from ESTVs obtaining a double certificate from the National Institute for Workforce Development (INDMO) and MEJD. • University graduates receiving a Recognition of Previous Learning from INDMO. The selection is designed as a competitive process. However, SEFOPE-DNFP tries to ensure inclusiveness and equal opportunities to all eligible applicants. Thus, 10 per cent of the internships ⁶⁴ are reserved for people with disabilities and an effort is made to keep gender balance in the awarding of internships.
Age range	20-35 years old (with flexibility). ⁶⁵
Source and amount of funding	Timor-Leste General State Budget. In 2023 only US\$19,147 were specifically allocated to this programme ⁶⁶ , while in 2022 only FDCH budgeted US\$37,500 for the payment of interns' subsidies. ⁶⁷

60 UNDP support has been provided through a parallel programme and will be described in the YESS section.

61 Although there is a consultation, the process does not appear to be fully demand-led but more at the initiative of SEFOPE according to what the Executive Director for National Employment Strategy commented during the KIIs conducted to document this programme.

62 The National Director of Vocational Training mentioned during a KII conducted for this study that there were 10 beneficiaries doing their internship in Bali in 2019, but international postings appear to be exceptional in the history of the programme.

63 Note that in RAEOA a parallel programme called "Ami Pronto Serbisu" is run.

64 This is probably better understood as a declaration of good intentions than a fixed quota. The Chief of Self-Employment Department mentioned during a KII conducted for this study that the Self-employment incentives programme also have a disability target but some years they exceed it and others they do not meet it.

65 Although no public register or database about programme participation statistics is available to the public, the National Director of Vocational Training mentioned during a KII conducted for this study that there are exceptions to the age limits.

66 Ministry of Finance. Budget Books: Budget Developments. Expenditure Section. Volume 1, page 249. Timor-Leste, 2023. *Atividade 9832305: Implementar um programa nacional de estágio por via de centros de formação profissional.*

67 Ministry of Finance. Budget Books: Special Funds, page 43. Timor-Leste, 2022. *Atividade 3151802: Subsídio para programa estágio para bolsheiro graduado.*

National Internship Programme (Programa Estájiu Profissional)	
Period of engagement	6 months, with possibility of extension if requested by the hosting institutions. This rarely happens and SEFOPE does not pay the subsidy beyond the first 6 months. Exceptionally if a hosting institution directly ask for a specific person, that person can participate in the Internship a maximum of two times.
Financial support and in-kind benefits	• In-country scheme: A subsidy of US\$80-120/month is paid from the FDCH.⁶⁸ CNFP-Becora provides in-kind benefits like hand-tools kits, identity cards, personal protective equipment, and work uniforms. • International scheme: subsidy amount depends on the cost of living of the country of posting.⁶⁹ • Promoting institutions might top-up subsidies with further financial support to interns.⁷⁰
Programme geographical availability and actual coverage	Internships happen mainly in urban areas, focusing on Dili, while in rural areas are rare. ⁷¹
Rationale	The programme provides participants with a real on-the-job experience and facilitates the job-matching between recent graduates and prospective employers. Thus, the programme subsidizes an initial probationary period of 6 months during which companies can assess candidates. The expectation is that those fitting the job requirements will be hired. The programme aims to establish a partnership with the private sector and get it to contribute to the development of the TVET system.
Number of participants	Since 2013 to 2020, 2,465 Interns, out of which 58 per cent women, participated in the programme. In 2021, last year when the programme was run, there were 208 Interns. In 2022 the programme was not implemented and in 2023 the target is to post 450 trainees. ⁷²
Monitoring of labour market outcomes	Since 2013 until 2020, 324 interns (13 per cent) found employment after completion of the programme. DNFP does not monitor interns' salaries after the programme.
Possible changes in design	DNFP is considering allowing former interns to participate in the programme again if they graduate from a new and different eligible educational course. DNFP would also like to develop salary tables for TVET graduates to facilitate wage-setting negotiations after completion of the programme. The FDCH's programme 315, which traditionally funded interns' subsidies, has been eliminated from the General State Budget in 2023. No alternative source of funding has been presented so far.
Sources of information	1) Guidelines for the National Internship Programme's subsidy (Matadalan Subsidiu ba Programa Estájiu Profissional); 2) Timor-Leste Budget Books 2021-2023; 3) National Directorate of Professional Training 2022 Annual Report, SEFOPE; 4) KII with the National Director of Professional Training; 5) KII with the Executive Director for National Employment Strategy.

⁶⁸ The subsidy amount depends on the economic sector of the internship.

⁶⁹ Guidelines for the National Internship Programme's subsidy, art. 30, states that for the Special Internship in Masonry participants receive US\$1,500 for equipment and materials.

⁷⁰ Guidelines for the National Internship Programme's subsidy, art. 30, states that to participate in the Workplace Internships Programme – the previous version of National Internship programme – hosting institutions should contribute with 10 per cent of the per participant budget.

⁷¹ The National Director of Vocational Training mentioned during a KII conducted for this study that in 2023 most traineeships were in Dili, with only some agricultural traineeships happening in Aileu.

⁷² The National Director of Vocational Training mentioned during a KII conducted for this study that so far in 2023 the programme has sponsored 67 trainees within the areas of agriculture, hospitality, and general construction.

Internship programme for tertiary students (Programa Estágio Profissional para os melhores graduados)	
Primary area of intervention	Apprenticeships, internships, job attachment programmes for recent graduates from secondary, vocational, or tertiary education with or without stipend.
Secondary area of intervention	None
Main programme operator and implementing partners	The programme is operated by the MESCC in partnership with the FDCH since 2022. ⁷³ Higher education institutions and public and private hosting organizations collaborate in the implementation as partners too.
Elements of the design and operations	Internships are prioritized in the areas of law, education, medicine, engineering, social sciences, and economics. Interns can be directly selected based on their academic performance by private and public higher education institutions in cooperation with the Technical Secretariat of FDCH. Open public competitions might be run by the FDCH to select the interns. Applications are selected by an Evaluation Committee led by the Executive Director of the FDCH Technical Secretariat. Pre-selected candidates are called to participate in an interview, although the Committee can exempt them to do so under exceptional circumstances. Interns are hosted by private or public institutions that define the type of internship, its objectives, and goals.
Eligibility and targeted group	The programme targets youth focusing on the best students from national universities.
Age range	The programme does not have a policy regulating the minimum and maximum ages of interns. Each internship advertisement must state the minimum and maximum age of eligible candidates.
Source and amount of funding	In 2023 the General State Budget through the FDCH allocated US\$180,000 to the programme. ⁷⁴
Rationale	The programme main objective is to acknowledge the merit of high performing young Timorese graduates and promote their employability in areas of special interest for the socio-economic development of the country.
Number of participants	In 2022 there were 399 interns, but only 341 completed the programme. In 2023 the target is to provide internship opportunities to 200 graduates but so far only 82 participants have been placed.
Monitoring of labour market outcomes	The programme intends to monitor former interns' labour market outcomes, but no monitoring has been thoroughly conducted yet because the first batch graduated in June 2023. There is no information yet (August 2023) about interns who have found another job.

⁷³ <https://pt.tatoli.tl/2022/07/01/mais-de-440-licenciados-com-melhores-medias-admitidos-a-estagios-profissionais/>

⁷⁴ FDCH budget database.

⁷⁵ <https://pt.tatoli.tl/2022/07/01/mais-de-440-licenciados-com-melhores-medias-admitidos-a-estagios-profissionais/>

⁷⁶ https://www.facebook.com/photo?fbid=665652442268355&set=pcb.665647882268811&locale=pt_BR A dropout rate of 14.5 per cent.

Internship programme for tertiary students (Programa Estágio Profissional para os melhores graduados)	
Possible changes in design	The programme will continue until 2028 with an annual budget of US\$180,000 and targeting 200 internship positions.
Sources of information	1) KII with FDCH staff; 2) FDCH budget database; 3) MESCC ministerial diploma No. 19/2022.

Youth Internship Programme (YIP)	
Primary area of intervention	Apprenticeships, internships, job attachment programmes for recent graduates from secondary, vocational or tertiary education with or without stipend.
Secondary area of intervention	None
Main programme operator and implementing partners	The programme is operated by UNDP in partnership with SEFOPE and KOICA since 2022.
Elements of the design and operations	The programme has three components: • Pre-internship: participants participate in soft-skill training activities to enhance their job-readiness. • Internship: participants intern at private and public organization to develop their professional skills and access the job market. • Post-internship: participants receive career counselling and assistance in job-searching, resume's drafting, and interview preparation.
Eligibility and targeted group	The programme exclusively targets youth focusing on recent university graduates. The programme aims to have 50 per cent of female participants.
Age range	Preferably 24 to 27 years old, with flexibility. ⁷⁷
Source and amount of funding	Funding comes from the UNDP-YEES programme, which has a total (i.e. not exclusively for this component) allocation of US\$8,120,947 for the period 2022-2027 broken down as follows: US\$1,632,770 comes from the General State Budget, US\$5,998,177 from KOICA, and US\$490,000 from UNDP.
Period of engagement	4 months.
Financial support and in-kind benefits	Interns receive a small allowance, similar to what offered by SEFOPE's National Internship programme (US\$80-120/month).
Programme geographical availability and actual coverage	The programme is currently available in Dili, Ermera, Baucau, and Liquiça but interns come from the 12 municipalities except for Atauro.
Rationale	The programme provide youth with work experience within an organization. Interns acquire knowledge and skills specific to a certain job position under the guidance of a mentor, sharpening their 'soft skills' and expanding their professional network to become more competitive in the job market.
Number of participants	In 2022, 54 interns were placed in 12 private companies, 2 public organizations, and 3 NGOs. Only one participant dropped out and was not awarded a recognition certificate from the host entity. ⁷⁹ In 2023, 30 interns will be hosted by BNCTL, 2 by BRI, 4 by Madiri Bank, and 10 by another 2 organizations. 59 interns were female. ⁸⁰ In 2023 UNDP is preparing other 2 batches with approximately 67 more participants.

77 <https://en.tatoli.tl/2023/01/18/yip-program-reopens-for-second-phase-and-its-involving-bnctl-bri-and-mandiri-banks/07/>

78 YEES Fact Sheet, March 2023.

79 This implies a drop-out rate of less than 2 per cent.

80 <https://www.undp.org/timor-leste/press-releases/final-report-presentation-and-closing-ceremony-four-month-youth-internship-program-yip>

Youth Internship Programme (YIP)	
Monitoring of labour market outcomes	UNDP monitors former participants' labour market outcomes. 15 interns have successfully obtained regular jobs.
Possible changes in design	UNDP is planning to reduce the number of batches per year but increasing the number of participants per batch. The target is to have 150/160 interns per year.
Sources of information	1) Tatoli News; 2) YEES Fact Sheet, March 2023; 3) National Directorate of Professional Training 2022 Annual Report, SEFOPE; 4) https://www.undp.org/timor-leste; 5) YEES Infographic; 6) KII with UNDP-YEES staff.

National Authority of Petroleum and Minerals (ANMP) Graduate Internship Programme (GIP) ⁸¹	
Primary area of intervention	Apprenticeships, internships, job attachment programmes for recent graduates from secondary, vocational, or tertiary education with or without stipend.
Secondary area of intervention	None
Main programme operator and implementing partners	The programme is operated by the ANMP.
Elements of the design and operations	The programme gives recent graduates the opportunity to intern in the corporate or technical services of ANMP.
Eligibility and targeted group	The programme exclusively targets youth, focusing on unemployed recent university graduates with Timorese nationality.
Age range	Not defined.
Source and amount of funding	Funding comes from the General State Budget, but the total allocation could not be verified.
Period of engagement	6 months.
Financial support and in-kind benefits	Interns receive a small transport allowance. The programme covers their accommodation and food expenses if they go on a field mission.
Programme geographical availability and actual coverage	The programme is available only in Dili.
Rationale	The programme exposes interns to a real and professional working environment to prepare new graduates for their future employment career. Interns learn about ANPM's functions as regulatory authority in the natural resources sector and about corporate services. The internship helps graduates to build confidence in their professional capacities and take decisions about their future professional career.
Number of participants	A maximum of 60 interns are hosted in two annual rounds, from January to June and from July to December.
Monitoring of labour market outcomes	No information available.
Possible changes in design	No information available.
Sources of information	http://www.anpm.tl/graduate-internship-program2/

81 <http://www.anpm.tl/graduate-internship-program2/>

Australia Awards Graduate Internship Programme (Australia Awards GIP) ⁸²	
Primary area of intervention	Apprenticeships, internships, job attachment programmes for recent graduates from secondary, vocational, or tertiary education with or without stipend.
Secondary area of intervention	None
Main programme operator and implementing partners	The programme is funded by DFAT and operated by Palladium, a private contractor that does the matching between interns and prospective employers.
Elements of the design and operations	Apart from the internship opportunity, the programme offers other support services for Timorese graduates from Australian Universities like: - Small grants to undertake research, community development, or leadership/professional development with the aim to contribute to Timor-Leste's development and/or strengthen links with Australia. - A forum for networking and professional development through 8 sector groups supporting alumni in the identification, planning and implementation of engagement activities. It offers opportunities so that alumni can contribute with their professional expertise to address development challenges in Timor-Leste.
Eligibility and targeted group	The programme does not exclusively target youth, but this group can benefit too. Only Australia Awards graduates are eligible.
Age range	Not defined.
Source and amount of funding	Funding comes from the Australian Government's Aid Programme. In the 2021-2022 cycle total funding was AUD46,450.
Period of engagement	3 months with the possibility to extend up to 6 months.
Financial support and in-kind benefits	In the 2012-2015 edition of the programme interns earn a stipend of US\$374 per month for those with a bachelor's degree, and US\$510 for those with a master's degree. The complete incentive package included health insurance, a monthly communication allowance of US\$50, and a laptop.
Programme geographical availability and actual coverage	In the 2021-2022 cycle all internships took place in Dili.
Rationale	The programme facilitates the re-integration of Australia Awards graduates by introducing them to professional working environments related to their area of study in Timor-Leste.
Number of participants	In the 2021-2022 cycle there were 9 interns.
Monitoring of labour market outcomes	Six interns have secured permanent positions following their internship.
Possible changes in design	1) Extend the original duration with public institutions up to 12 months. 2) More flexibility regarding extensions. 3) Improve the efficiency and agility of the programme administrative processes.

82 <https://www.australiaawardstl.org/alumni/graduate-internship-program-gip/>

Australia Awards Graduate Internship Programme (Australia Awards GIP)

Sources of information

- 1) <https://www.australiaawardstl.org/alumni/graduate-internship-program-gip/>
- 2) Australia Awards Timor-Leste Graduate Internship Program Review Findings, May 2022
- 3) Government Graduate Internships Evaluation Report 2015

83 https://australiaawardstl.org/wp-content/uploads/2022/06/Graduate-Internship-Program_evaluation-report-final-final-.pdf

84 <https://www.dfat.gov.au/sites/default/files/timor-leste-australia-awards-government-graduation-internships-eval-report-2015.pdf>

PDHJ Internship (Programa Estájiu PDHJ)	
Primary area of intervention	Apprenticeships, internships, job attachment programmes for recent graduates from secondary, vocational, or tertiary education with or without stipend.
Secondary area of intervention	None
Main programme operator and implementing partners	The programme is operated by the Ombudsperson's Human Resource Management Directorate since 2012.
Elements of the design and operations	The training programme depends on the interests and needs of the interns as well as on the requirements established by their institutions' curricula. Interns are hosted by PDHJ headquarters in Dili or one of its Territorial Delegations in Baucau, Same, Maliana and the Especial Administrative Region Oecusse-Ambeno (RAEOA). After an introductory session to the institution's missions and internal regulations, interns are assigned to the division/department that best fits them (profiling) –Citizens Support, Human Rights, Good Governance, Administration and Finance, Legal Advisory, Inspection, and Library – where they support the implementation of the department daily activities. They might participate in missions to municipalities.
Eligibility and targeted group	The programme exclusively targets youth focusing on students from Secondary Schools, Universities, TVET Centres and homologated learning institutions. University students can be undergraduate or recent graduate students. Sometimes international students participate in the programme.
Age range	The programme does not have a policy regulating the minimum and maximum ages of interns. Up to date the youngest inters were 16 years old and normally interns do not exceed 25 years of age. ⁸⁵
Source and amount of funding	PDHJ does not allocate specific budget for the internship, but some interns receive financial support from UNTL or FDCH.
Period of engagement	The duration depends on the curricula of the institution from where interns come from. For those sponsored by the FDCH the standard duration is 6 months. For the other interns the duration varies from 1 month to 5 months. ⁸⁶ Sometimes interns extend their engagement for 1 or 2 months beyond the originally agreed duration. Policies and internal regulations do not define a maximum duration.
Financial support and in-kind benefits	PDHJ only pays a daily subsistence allowance (DSA) to interns when they participate in missions out of Dili. PDHJ does not provide interns with any other type of financial support or in-kind benefits. Only interns sponsored by the FDCH or UNTL received a stipend paid by those institutions. ⁸⁷
Programme geographical availability and actual coverage	Interns from all over the country are accepted but most of them are hosted by PDHJ headquarters in Dili.
Rationale	The programme aims to increase interns' knowledge about the mission and activities of PDHJ. The internship is thought as a first employment opportunity for those willing to pursue a professional career in the areas of human rights and good governance. Successful interns receive a certificate to facilitate job seeking after the end of the programme.

⁸⁵ A PDHJ intern declared during a FGD conducted for this study that he was 31 years old.

⁸⁶ Diresaun Jestaun Rekursu Humanu Database

⁸⁷ A PDHJ intern declared during a FGD conducted for this study that he was receiving a stipend of US\$100 /month from the FDCH.

PDHJ Internship (Programa Estájiu PDHJ)	
Number of participants	In 2022 there were 41 interns, out of which 5 were supported by the FDCH. In 2023 they have hosted up to date 14 interns, out of which 1 is supported by the FDCH. ⁸⁸ Interns rarely dropout before completing the programme. ⁸⁹
Monitoring of labour market outcomes	PDHJ does not monitor the labour market outcomes of interns after completion of the programme.
Possible changes in design	None.
Sources of information	1) PDHJ Internship Internal Regulation; 2) Diresaun Jestaun Rekursu Humanu Database; 3) FGD with PDHJ-Human Resource Management Directorate and interns.

⁸⁸ Diresaun Jestaun Rekursu Humanu Database.

⁸⁹ In the Diresaun Jestaun Rekursu Humanu Database seems that 1 intern dropped out in 2022, a dropout rate of 2.4 per cent.

G7+ Internship Programme	
Primary area of intervention	Apprenticeships, internships, job attachment programmes for recent graduates from secondary, vocational, or tertiary education with or without stipend.
Secondary area of intervention	None
Main programme operator and implementing partners	The Policy Department administers the programme since 2014 and allocates interns to the other departments, like Media and Communication, Finance and Logistics, etc., following services' needs.
Elements of the design and operations	The interns receive Terms of Reference outlining their position, role, and responsibilities and they are assigned to a supervisor. All internships take place at G7+ headquarters in Dili. The programme includes a mentoring component, supporting interns to identify their career paths. Some interns participate in activities carried out in the municipalities and one went to a mission abroad. After completing the programme interns may integrate the Youth Alliance for G7+, which support G7+ outreach activities in municipalities and various schools in Dili. The G7+ also organizes the G7+ model United Nations mock competition, where former interns simulate a G7+ ministerial meetings.
Eligibility and targeted group	The programme exclusively targets youth focusing on members of youth organizations, undergraduate and graduate university students with a background in International Relations and Peace Studies. The programme aims to be gender-balance, but there are no quotas for women or people with disabilities.
Age range	The programme does not have a policy regulating the minimum and maximum ages of interns. Participants are typically between 20 and 30 years old, with most of them being between 20 and 25, however there is not a strict policy regarding age.
Source and amount of funding	G7+ does not allocate any specific funding for the internship.
Period of engagement	- Youth organizations' interns stay in the programme between 3 and 6 months. - University's interns stay in the programme between 1 and 3 months, but G7+ adjusts to their curriculum requirements. - G7+ extends the programme duration up to 25 per cent of the original agreement in some cases.
Financial support and in-kind benefits	G7+ only pays a DSA to interns when they participate in missions out of Dili. G7+ does not provide interns with any other type of financial support or in-kind benefits.
Programme geographical availability and actual coverage	All interns must be based in Dili while attending the programme, although some were original from other municipalities.
Rationale	The programme aims to facilitate school-to-work transitions, particularly for university students, providing young people with a first job experience, orienting them, scaling up their soft and hard-skills, building up their self-confidence, and connecting them with prospective employers. For those interns deciding to continue their academic career the programme facilitates them to conduct their research on topics related to G7+.

G7+ Internship Programme	
Number of participants	Every year the programme hosts 2-3 interns from youth organizations and 10-20 university students. Since 2014 they have had 70 interns, with only 2 dropping out before completion. ⁹⁰
Monitoring of labour market outcomes	Monitoring of participants labour market outcomes is not regular nor systematic but based on personal relationships. G7+ hired 5 former interns up to date and another 2 are currently employed by Timor-Leste's government. For those hired by G7+, average salary after programme completion was US\$300 /month.
Possible changes in design	1) Recruit more youth from municipalities. 2) Provide financial incentives to interns making the programme more competitive and oriented to facilitate school-to-works transitions. 3) Appoint selected former interns as Ambassadors of Peace, providing them with funding to carry out activities related to the G7+'s mission in the municipalities.
Sources of information	1) KII with the G7+ Chief Operating Officer; 2) https://www.g7plus.org/internship/

⁹⁰ Circa 3 per cent drop-out rate.

Chega! Young Ambassador Programme	
Primary area of intervention	Apprenticeships, internships, job attachment programmes for recent graduates from secondary, vocational, or tertiary education with or without stipend.
Secondary area of intervention	None
Main programme operator and implementing partners	The Division for Institutional Development and Human Resources operates the programme since 2022. The German Development Cooperation and the Civil Peace Service, through the Southeast Asian University Partnership programme, support CNC in the negotiation of agreements with partner universities.
Elements of the design and operations	The interns can be assigned to one of the 4 CNC programmatic division depending on their interests and service needs.⁹¹ The programme is designed as a short-term internship combining fieldwork with learning and training activities, including an induction week. Areas of training encompass human rights, transitional justice, peace and conflict resolution, and archive management. Interns support a specific CNC's division carrying out tasks related to event organisation, administrative work, research, digitalization of documents, guided visits to museums, and liaising with universities.⁹² The programme has a soft-skill component instilling the highest professional standards into the interns in terms of integrity, honesty, professionalism, no-discrimination, commitment to national unity and peace, and CNC institutional culture.
Eligibility and targeted group	The programme exclusively targets youth focusing on undergraduate and graduate university students with a background in peace studies and human rights.
Age range	18 to 30 years old. ⁹³
Source and amount of funding	In 2023 CNC has allocated US\$6,000 to the Young Ambassador Programme and the German Development Cooperation also supports it through the Southeast Asia University for Peace programme. ^{94 95}
Period of engagement	It is formally defined as 4 months, but the Division for Institutional Development and Human Resources can grant extensions. ⁹⁶
Financial support and in-kind benefits	Trainees receive a monthly stipend of US\$250 and have the right to annual leave.
Programme geographical availability and actual coverage	The programme is available only in Dili, although participants can be nationals from any municipality.

91 Research and Historical Archive Division; Education and Training Division; Solidarity and Survivors Division; External Relations, Communication and Advocacy Division.

92 CNC officers mentioned during a FGD conducted for this study that interns can plan, design, and implement their own activities as long as they contribute to peacebuilding and target Timorese youth.

93 According to CNC officers consulted during a FGD conducted for this study, no written policy appears to be in place.

94 As reported by CNC officers during FGD conducted for this study.

95 The programme is not recorded as an activity in the 2023 OGE but CNC has a total allocation of US\$735,457 under permanent and regular wages and salaries from which the programme can be funded.

96 CNC officers mentioned during a FGD conducted for this study that 4 interns that joined in 2022 were still enrolled in the programme after completing the 4 months.

Chega! Young Ambassador Programme	
Rationale	The programme provides career development and on-the-job learning opportunities to university students to promote their employability and strengthen the capacity of the peacebuilding sector. The programme also aims to foster social cohesion, development, and community building by: • Training youth to become future democratic and humanist leaders. • Raising awareness of the current and historic situation of Timor-Leste to develop interns' sense of patriotism and commitment to peace. • Strengthening intern's knowledge, competencies and attitudes towards democratic and humanitarian principles.
Number of participants	The programme targets to provide 24 internship's opportunities of 4 months every year, allocating 6 interns to each one of the four CNC's programmatic divisions. Nevertheless, in 2022 CNC recruited only 5 interns and in 2023 they expect to recruit only 4 more. In 2022 the dropout rate equalled 20 per cent.
Monitoring of labour market outcomes	CNC plans to monitor the labour market outcomes of participants, but no cohort has exited the programme yet.
Possible changes in design	1) Improving internship hiring practices. 2) Developing training materials and resources. 3) Extending the official duration of the traineeship and offering a competitive compensation package. 4) Standardizing the traineeship programme.
Sources of information	1) FGD with staff from the CNC Institutional Development and Human Resources Division; 2) Chega! Young Ambassadors' Traineeship Programme Concept note; 3) Chega! Young Ambassadors Programme brochure.

ETDA Hospitality Internship Programme	
Primary area of intervention	Apprenticeships, internships, job attachment programmes for recent graduates from secondary, vocational or tertiary education with or without stipend.
Secondary area of intervention	1) Job matching assistance programmes including job brokering (websites or in person) carried out by public or private organizations. 2) Job matching assistance programmes including job search assistance (CV, interview preparation) carried out by public or private organizations.
Main programme operator and implementing partners	The programme is run by the ETDA Education Restaurant, and it started in 2016. TOFTA Choice Agency Ltd. manages ETDA Education Restaurant.
Elements of the design and operations	The programme includes 240 hours of vocational and skill training plus 260 hours of learning-by-doing. The internship takes place only in Dili at ETDA facilities. Interns can benefit from English classes (60 hours) and an online English course (130 hours), without extra-cost, and they are equipped with job search skills. Interns completing the programme are registered in a pooled database for job placements and invited to participate in free skill-upgrading activities while unemployed. Job placements are facilitated through the organization of job fairs (Hakbit festival), agreements with foreign companies – ETDA is sending 120 former inters to Brunei in 2023⁹⁷ - and supporting former interns in their applications for overseas employment.
Eligibility and targeted group	The programme does not exclusively target youth, but this group is the main beneficiary. In the past they have organized activities specifically targeting women and long term unemployed as requested by donors funding them.
Age range	The programme set the minimum participants' age at 16 years old, but it does not limit maximum age for participation. However, interns are normally below 25 years of age, with the average participant being 20-23 years old.
Source and amount of funding	ETDA is a non-profit self-funded institution. The programme relies on the revenue generated by ETDA Education Restaurant and participants-fees to cover the costs, although students can get scholarships from other institutions or private individuals. Interns only pay for the 240 hours of vocational and skill training and their uniforms, but not for the internship.
Period of engagement	Participants take circa. 4 months to complete the vocational skill classroom training and the on-the-job training. The additional English training can take another 2 months. However, the engagement with interns continues after completion of the programme through job-placement facilitation and skill-upgrading activities.
Financial support and in-kind benefits	Interns gets lunch at the ETDA Education Restaurant.
Programme geographical availability and actual coverage	All interns must be based in Dili while attending the programme, although they come from rural and urban areas in all municipalities, including RAEOA. Occasionally, ETDA organizes a mobile training in RAEOA.

⁹⁷ <https://en.tatoli.tl/2022/11/17/etda-distributes-certifications-to-26-young-timorese-to-be-sent-to-brunei-darussalam/09/>
<https://en.tatoli.tl/2022/07/06/etda-will-employ-120-young-timorese-to-work-in-brunei-darussalam-by-august/02/>

ETDA Hospitality Internship Programme	
Rationale	The programme provides young people with the soft skills, the technical skills, and a first job experience in hospitality so that they can start their own business or find a waged employment in the sector, in Timor-Leste and abroad. An important part of the programme consists in providing participants with opportunities to put into practice the theory that they have previously learnt and referring them to potential employers in Timor-Leste and abroad.
Number of participants	Up to date 944 young people have participated in the ETDA hospitality internship. Normally, the programme has a yearly intake of 150 interns but in 2023 it might reach 260 interns. Since 2000 ETDA has assisted more than 10,400 young jobseekers. ⁹⁸
Monitoring of labour market outcomes	Since 2000 ETDA has facilitated 6,020 job placements. Records indicate that 40 per cent ⁹⁹ of the interns find employment in less than six months after completion of the internship and around 5 per cent open their own businesses in the areas of catering services, casual freelance work, and restaurants. ¹⁰⁰ Graduates normally receive a salary between US\$150/month and US\$200 /month in their first job. Most ETDA interns reach supervisory job positions in Hospitality. ¹⁰¹
Possible changes in design	1) Opening of training centres in RAEOA, Suai, and Baucau. 2) Improving services offered by building a Cooking Lab, reviewing curricula, and upgrading trainers' skills. 3) Partnering with international tourism schools and strengthening their linkages with private sector employers. 4) Increasing job placement through business to business agreements with the Darwin Chamber of Commerce and the hospitality industry in Brunei. 5) Obtaining US\$10,000 in funding from veterans' associations to relaunch the Empowerment Festival where young people can participate in skill competitions, learn how to write a CV, how to look for employment, etc.¹⁰²
Sources of information	1) ETDA Statistical Database; 2) ETDA Timor-Leste facebook; 3) https://etda.tl/; 4) KII with ETDA Director

98 <https://etda.tl/>

99 2023 ETDA Statistics data.

100 The number could be higher since there is no formal follow-up on former participants after the job-placement phase.

101 ETDA Timor-Leste facebook page.

102 <https://www.facebook.com/watch/?v=2150980745151905>

Ready to Work Internship (Ami Prontu Servisu)	
Primary area of intervention	Apprenticeships, internships, job attachment programmes for recent graduates from secondary, vocational or tertiary education with or without stipend.
Secondary area of intervention	None
Main programme operator and implementing partners	Under common guidelines established by RAEOA Authority Presidency in 2023, RAEOA Services and Entities operate the internship programme.
Elements of the design and operations	The programme offers internships in services and entities of the RAEOA's public administration. Internship offers can be made for any category and professional career path within the public administration. All interns are mentored and coached by a manager, chief, or senior staff member. Mentors are responsible for preparing the internship work plan, providing technical and pedagogical support to interns, integrating them in the working environment, and following up on their progress and performance.
Eligibility and targeted group	The programme does not exclusively target youth, but this group is the main beneficiary. Participants must be young university graduates looking for their first employment, unemployed or employed in a position that does not match their qualifications. Special attention will be given to ETV ETARO, CFP-RAEOA, and ETV Passabe graduates. RAEOA Services and Entities can decide to accept applications from youth who do not hold a university degree. Those who have previously participated in government or RAEOA funded internship programmes are not eligible.
Age range	Up to a maximum of 40 years of age. Minimum age is not defined but it should be 22 given that participants must initially hold a university degree.
Source and amount of funding	Each RAEOA hosting service and entity is responsible for funding the programme with charge to its own budget, although the RAEOA authority can decide to fund internships directly with charge to its own budget. In 2023 RAEOA budget included US\$9,578 for this programme ¹⁰³ , out of which US\$9,020 were budgeted for interns' financial incentives.
Period of engagement	Minimum of 6 months although it can be extended up to a maximum of 2 years conditional on service needs and good performance. Candidates can participate in the programme only once.
Financial support and in-kind benefits	Interns received a daily financial 'incentive' between US\$5 and US\$10, or between US\$110-220/ month, to cover transports cost, food, and telecommunication costs.
Programme geographical availability and actual coverage	RAEOA
Rationale	The programme promotes the employability of young university graduates, further enhancing their qualifications and skills through the exposure to the rules, good practices, and goals of the public service. Moreover, the programme supports the emancipation of the youth, supporting them to leave the parental home, providing them with training and professional experiences, and sponsoring youth employment and entrepreneurship.
Number of participants	The President of the RAEOA Authority establishes the maximum number of interns that can be recruited every year, 700 in 2023 ^{104,105} .

103 RAEOA registered the activity Implement the national internship program through professional development centres in 2023 Annual Action Plan.

104 <https://tatoli.tl/2023/05/05/raeo-rekruta-funsiunariu-aps-muda-mentalidade-no-responsabilidade/>

105 Less than 14 internship positions of 6 months with a daily incentive of US\$5 can be funded with the US\$9,020 budgeted by RAEOA in 2023.

Ready to Work Internship (Ami Prontu Servisu)	
Monitoring of labour market outcomes	Hosting services and entities, as well as the programme's Secretariat, must produce an annual report on the implementation of the programme. Nevertheless, the programme regulation does not define if and how participants labour market outcomes will be monitored.
Possible changes in design	The programme is in its first year of implementation.
Sources of information	1) Authority deliberation No. 3/2023 of 24 May; 2) Timor-Leste Budget Books 2023

National Centre of Professional Training Becora (CNFP – Becora)	
Primary area of intervention	Apprenticeships, internships, job attachment programmes for recent graduates from secondary, vocational, or tertiary education with or without stipend.
Secondary area of intervention	TVET
Main programme operator and implementing partners	The CNFP-Becora operates in Timor-Leste since 2012 with official status, although its origins go back to the <i>Serviço Nacional de Aprendizagem Industrial</i> cooperation mission established in 2002.
Elements of the design and operations	The vocational training component of the programme takes between 400-700 hours depending on the course and certificate level. The vocational training is split between 70 per cent practical and 30 per cent theory. The on-the-job training component takes between 100 -200 hours. Training is available in the areas of sewing, IT, general administration, mechanics, bakery, civil engineering, masonry, plumbing, welding, electricity, and carpentry.
Eligibility and targeted group	The programme does not exclusively target youth, but young people are one of the main groups of beneficiaries. The programme is open to everyone.
Age range	17 is the minimum age to participate in CNFP-Becora programmes. There is no maximum age. 60 per cent -70 per cent of the participants are aged between 20-35 years old.
Source and amount of funding	In 2023 CNFP-Becora received a total allocation of US\$735,824 through the OGE, out of which US\$322,879 were specifically allocated to vocational and on-the-job training activities. ¹⁰⁶ Participants pay US\$15 in fees to cover the cost of uniforms and certificates.
Period of engagement	1 year, out of which between 1-2 months are on-the-job training.
Financial support and in-kind benefits	Interns receive 2 US\$/day during the on-the-job training. Exceptionally, some companies might provide additional financial support.
Programme geographical availability and actual coverage	The centre is located in Becora, Dili, but internships can happen in the municipalities from where participants come from if they find a company willing to host them.
Rationale	CNFP-Becora strengthens participants knowledge and skills through technical-vocational education and training so that they can access employment in Timor-Leste and abroad.
Number of participants	359 people completed the CNFP-Becora programmes in 2022. In 2022, 17 per cent of the originally enrolled participants dropped out because they found an employment, got sick, or had family problems. In 2023 their target is to reach 432 participants.
Monitoring of labour market outcomes	CNFP-Becora does not monitor labour market outcomes of participants after the completion of the programme. ¹⁰⁷
Possible changes in design	None
Sources of information	1) FGDs with staff of CNFP-SENAI; 2) Timor-Leste Budget Books 2023; 3) RDTL 2022 Annual Performance Report.

¹⁰⁶ Ministry of Finance. Budget Books: Budget Developments. Expenditure Section. Volume 2, page 494. Timor-Leste, 2023. Subprograma 98315: Atividades de formação vocacional.

¹⁰⁷ CNFP-Becora's staff mentioned during a FGD conducted during this study that monitoring former participants labour market outcomes is responsibility of SEFOPE.

The Asia Foundation Internship	
Primary area of intervention	Apprenticeships, internships, job attachment programmes for recent graduates from secondary, vocational, or tertiary education with or without stipend.
Secondary area of intervention	None
Main programme operator and implementing partners	All department can have interns depending on their service needs.
Elements of the design and operations	Interns have access to the Staff Development Fund, which offers a US\$300 /year grant for capacity building and training (English, Computing, and other technical skills). Interns are fully immersed in TAF-TL activities participating in staff meetings, webinars, and external events. They support the organization in different areas – programme management, research, organization of events, etc - depending on their interests and service needs. All interns are based at TAF-TL headquarters in Dili.
Eligibility and targeted group	The programme does not exclusively target youth, but this group is the main beneficiary since they prioritize young recent university graduates.
Age range	The programme does not have a policy regulating the minimum and maximum ages of interns, but interns are typically below 30 years of age.
Source and amount of funding	TAF-TL covers the cost of the internship with its own core funding.
Period of engagement	The programme does not have a delimited period of engagement. TAF-TL aims to incubate interns until they are ready to take their next academic or employment opportunity inside or outside the organization. Normally, interns stay for 2 or 3 years.
Financial support and in-kind benefits	Interns received a daily allowance of US\$10, circa US\$200 /month.
Programme geographical availability and actual coverage	No information available on participants geographical origin, but the internship only takes place in Dili.
Rationale	Providing young university graduates with a first employment opportunity so that they can start a career within TAF-TL or further apply for staff positions requiring job experience in other organizations.
Number of participants	The programme typically host 2/3 interns every year.
Number of participants Monitoring of labour market outcomes	Half of the interns transition to staff positions at TAF – typically as programme assistants – while the other half pursue further university studies, including master's degrees in the US. TAF-TL keeps contact with former interns and try to engage them back after finishing their degrees.
Possible changes in design	1) Switching from word of mouth to open calls for applications.
Sources of information	FGDs with The Asia Foundation Timor-Leste Management https://asiafoundation.org/where-we-work/timor-leste/

Don Bosco Professional Training Programme	
Primary area of intervention	Apprenticeships, internships, job attachment programmes for recent graduates from secondary, vocational or tertiary education with or without stipend.
Secondary area of intervention	1) TVET 2) Job matching assistance programmes including job brokering (websites or in person) carried out by public or private organizations.
Main programme operator and implementing partners	Don Bosco opened a standard TVET centre in Comoro (Dili) in 1991 and another one in Baucau in 2018. In the past they partnered with the Asian Development Bank.
Elements of the design and operations	The programme includes a technical-vocational training component, a soft-skill development component, and an on-the-job training component. The technical-vocational and the on-the-job training is provided in eight areas: air conditioning, electricity, welding, carpentry, plumbing, masonry, administration, and auto-mechanics. The soft-skill development component includes competencies in the areas of English language, Korean language, Portuguese Language, Professional Ethics, Moral Values, and Entrepreneurship. The focus is on practical knowledge with 70 per cent of the curricula deliver through learning by doing¹⁰⁸ and 30 per cent through classroom training. Programmes are all certified and accredited by INDMO. Don Bosco TVET centres do some job-brokering with national companies, facilitating job placements to programme's graduates.
Eligibility and targeted group	Originally, Don Bosco TVET centres targeted abandoned youth and the most vulnerable among the poorest. Currently the programme does not exclusively target youth, but this group is the main beneficiary. They accept both girls and boys. ¹⁰⁹
Age range	The programme does not have a policy regulating the minimum and maximum ages, but because of the design of the programme most participants are between 18 and 25 years old. In 2023, the participants' age ranges from 17 to 38 years old, with 92 per cent being 25 years old or younger, 6 per cent between 26 and 30 years old, 1 per cent between 31 and 35 years old, and 1 per cent older than 35 years old.
Source and amount of funding	In the boarding regime participants pay a fee of US\$60 /month, while in the external regime they pay US\$40 /month.¹¹¹ The Australian Salesian Foundation grants US\$50,000 /year to all Salesian schools in Timor-Leste^{112,113}. The centres can also apply to SEFOPE TVET centres subsidies, but reportedly have not done so.
Period of engagement	For each certificate level participants must engage in the programme for 12 months, out of which two consist in an internship in a private company. Some companies ask participants to extend their internships.
Financial support and in-kind benefits	Participants staying in the boarding regime are subsidized since the centre does not charge the full cost. The centre does not directly offer scholarships but try to obtain financial support for the most vulnerable youth from private sponsors and foundations. The programme's internship is unpaid. Only a few companies provide lunch to interns.

108 For example, apprentices produce goods that the government procures from Don Bosco TVET Centres.

109 Although girls are accepted in all courses, they almost exclusively enrol in the Administrative Clerk course.

110 Vocational Training Centre-Don Bosco Comoro (CFP-DBC) Student Database.

111 In 2023, with 138 participants, this implies a total financing of between US\$66,240 and US\$99,360 depending on how many are in the boarding regime.

112 There are 14 Salesians schools in Timor-Leste at the moment: <https://news.salesians.org.au/world/416-14-timor-leste-schools-centers-and-orphanages-receive-food-through-generosity>

113 Don Bosco TVET centre principal mentioned during a KII conducted for this study that in the past Timor-Leste's Salesian schools used to get more than US\$1,000,000 /year from the Foundation.

Don Bosco Professional Training Programme	
Programme geographical availability and actual coverage	Although Don Bosco TVET centres are only available in Dili and Baucau, participants come from all over the country, including RAEOA and isolated rural areas.
Rationale	Don Bosco TVET centres equip the youth, particularly the most vulnerable, with the skills and abilities demanded by private companies so that they can find an employment, become productive citizens, and have a livelihood. The programme puts an important emphasis on building the character, integrity, and honesty of participants providing a religious and humanistic formation. Participants are encouraged to develop their intellectual capacities and creativity in a safe environment of fellowship and companionship.
Number of participants¹¹⁴	In 2022 there were 167 participants in the programme, but in 2023 they have gone down to 138. In 2022 the drop/out rate was estimated to be less than 1 per cent but in 2023 it has already increased to 13.75 per cent. The main reasons behind dropouts are sickness, finding an employment, and accumulation of absences.
Monitoring of labour market outcomes	Don Bosco TVET centres do some informal monitoring of former participants' labour market outcomes. From the 2022 cohort, circa. 18 per cent of the participants have found an employment. However, these are normally internship or traineeship positions where they get paid an allowance below the minimum wage, circa. US\$100 /month.
Possible changes in design	1) Don Bosco TVET centres would like to directly connect their graduates with international prospective employers. 2) Adopting the industry 4.0 approach, upgrading infrastructures, and enhancing the technological component of the training so that graduates are competitive enough to work in more skilled industries in the Republic of Korea and Australia. 3) Reducing trainer's turnover.
Sources of information	1) CFP-DBC Student Database; 2) Student Manual, CFP-DBC General Construction Department, 2023; 3) KII with CFP-DBC principal.

¹¹⁴ Numbers refer only to the Comoro centre in Dili. In Baucau there are around 50 participants per year. The Comoro Centre has capacity to train a maximum of 350 participants per year.

Outreach and career counselling programme by CEOPs.	
Primary area of intervention	Job matching assistance programmes including job brokering (websites or in person) carried out by public or private organizations
Secondary area of intervention	• Job search assistance (CV, interview preparation) • Career guidance • Labour rights awareness and sensitization.
Main programme operator and implementing partners	The programme is operated by CEOPs. This programme under its currently design started in 2015, when the employment services system was properly set up, although similar services have been offered since 2002.
Elements of the design and operations	CEOPs disseminates information about labour market trends and job opportunities inside and outside Timor-Leste to facilitate job-matching between the unemployed and prospective employers. Services are delivered throughout all the national territory through CEOPs or SEFOPE municipal centres. Some personalized counselling is provided to job seekers. On educational/career guidance and labour rights sensitization, SEFOPE also visits schools and training centres to present labour market programmes to students. In 2015, 2016, and 2019 SEFOPE also organized job fairs where private and public sector representatives introduced job opportunities and career paths to secondary school students.
Eligibility and targeted group	The programme prioritizes the unemployed. It does not exclusively target youth, but this group can also benefit from it.
Age range	Public employment services are opened to all Timorese in legal working age. Some activities are targeted to young adults under 25 years of age, like job fairs, outreach campaign in schools, etc.
Source and amount of funding	In 2023 the General State Budget directly allocated US\$55,130 to public employment services, although it seems that there are additional resources for this purpose scattered through other budget lines and institutions. ¹¹⁵ CEOPs are partly financially dependent on funding from development partners. ¹¹⁶ Jobseekers do not pay any fee to register in CEOPs/SIMUWEB but public employment centres might refer them to TVET centres, which charge a course participation fee.
Period of engagement	Job seeking services are provided for unlimited time, while punctual activities – job fairs, school campaigns – typically take one or a few days.
Financial support and in-kind benefits	CEOPs do not provide unemployment or other type of benefits. Training at official TVET centres is subsidized through an annual transfer from the general state budget, indirectly reducing the fees paid by people referred to them by CEOPs.
Programme geographical availability and actual coverage	CEOPs and SEFOPE municipal centres concentrate in urban areas and are not still available in Atauro.
Rationale	Advising youth and the unemployed about labour market trends and opportunities, as well as promoting them among prospective employers, with the view of increasing the number of Timorese skilled workers, employment opportunities inside the country, and people's income.

¹¹⁵ Ministry of Finance. Budget Books: Budget Developments. Expenditure Section. Volume 1, page 249-250. Timor-Leste, 2023. *Atividade 9832208: Divulgação e aconselhamento profissional and Atividade 9832102: Desenvolver base de dados do SIMU-WEB.*

¹¹⁶ Da Encarnação, F. (2019) Assessment of two selected CEOP's & Overview of the CEOP system with a view of developing a system/strategy to further enhance the CEOP's. ILO, 2019. *Unpublished report prepared for the ILO Office for the Indonesia and Timor-Leste.*

Outreach and career counselling programme by CEOPs.	
Number of participants	In 2022, 8,804 young adults benefited from outreach and counselling activities in schools and training centres, while 6,141 registered in the public employment services looking for wage employment, training, labour mobility, or self-employment opportunities. ¹¹⁷ In 2023, SEFOPE targets to reach 8,000 young adults through outreach and counselling activities in schools and training centres. No target is set for people registering at CEOPs.
Monitoring of labour market outcomes	No monitoring on the time that takes since jobseekers register and they receive an employment or training offer is made. In general, no monitoring of beneficiaries' labour market outcomes is done.
Possible changes in design	SEFOPE plans to build new CEOPs facilities and provide capacity building for public employment services' workers, which is partially a response to the high turnover among the staff and the need to train new employees. SEFOPE is designing the Platform for Dialogue, a space for cooperation with development partners around employment challenges and obstacles that are faced by the youth to access the labour market. UNDP is providing support through YEES to digitalize and improve the SIMUWEB job portal.
Sources of information	1) RDTL 2022 Annual Performance Report; 2) FGD with the National Directorate of Internal Employment (DNEI); 3) KII with the Executive Director for National Employment Strategy; 4) Budget Books; 5) Fernando da Encarnação, 2019.

¹¹⁷ The Chief of the Professional Counselling Department mentioned during a FGD conducted for this study that a substantial number of those 6,141 jobseekers were under 35 years old, however it is not possible to automatically derive from the IT system age disaggregated data on beneficiaries.

► Annex 2. Interventions aimed at providing job opportunities specifically for young women and men

Pacific Australia Labour Mobility (PALM) scheme	
Primary area of intervention	Public works and public employment schemes-including foreign employment / seasonal work schemes
Secondary area of intervention	None
Main programme operator and implementing partners	The programme is operated by SEFOPE-DNEE since 2012 and currently in collaboration with Palladium, an Australian contractor.
Elements of the design and operations	Participants from all over the national territory can apply to the programme at SEFOPE's municipal offices or on-line. The PALM scheme has two sub-schemes, the seasonal worker programme and the long-term scheme. All workers participate in a pre-departure briefing. Labor Attaches in Timorese embassies are responsible for protecting workers' rights while participating in the PALM programme. Workers coming back to Timor-Leste can benefit from reintegration through an inter-ministerial programme that orients and provide technical assistance to identify priority areas for investment and start their own businesses. Returned migrants might benefit from public entrepreneurship subsidies but this are spread across other different government programmes that do not target this population exclusively. ¹¹⁸
Eligibility and targeted group	The programme does not exclusively target youth, but this group can also benefit from it. The PALM scheme is only open to Timorese citizens with at least 2 years of experience in relevant jobs and residing in Timor-Leste for more than 10 years. ¹¹⁹
Age range	21 to 36 years old. ¹²⁰
Source and amount of funding	In 2023 the General State Budget allocated US\$1,135,660 to run the recruitment, selection and training of workers participating in both the PALM and EPS schemes. ^{121,122} Nevertheless, most of the cost of participating in the programme is supported by employers (in destination country) and employees, for example regarding incidental reallocation expenses.
Period of engagement	- Up to 9 months within the seasonal worker programme.¹²³ - Between 1 and 4 years within the long-term scheme.¹²⁴
Financial support and in-kind benefits	- AUD27 to 29 /hour for seasonal workers - AUD23 to 27 /hour for longer-term workers

118 The PLF scheme provides specific support to PALM returned workers.

119 <http://sefope.gov.tl/dnee/notice/employment-opportunity-australia-selesaun-palm-scheme-2022/>

120 <http://sefope.gov.tl/dnee/notice/employment-opportunity-australia-selesaun-palm-scheme-2022/>

121 Ministry of Finance. Budget Books: Budget Developments. Expenditure Section. Volume 1 & 2, pages 250 & 566. Timor-Leste, 2023. Atividade 9832209: Colocação e Protesão Trabalhador Exterior & Atividade 3040239: Formação de língua Coreana e formação para os candidatos de trabalhadaores para Austrália com orientacao no mercado laboral exterior.

122 The National Director of Overseas Employment mentioned during a KII conducted for this study that most of this fundings goes to EPS while the PLF funds the operational costs of the PALM program in Timor-Leste. Information regarding the total amount allocated to the PALM program in Timor-Leste is not public.

123 The National Director of Overseas Employment mentioned during a KII conducted for this study that 6 months is the minimum contract duration that they accept.

124 <https://www.palmscheme.gov.au/countries/timor-leste>

Pacific Australia Labour Mobility (PALM) scheme	
Programme geographical availability and actual coverage	The National Director of Overseas Employment mentioned during a KII conducted for this study that there have been participants from all municipalities, but DNEE databases do not record this information.
Rationale	The programme aims at alleviating the pressure that excess of labour supply poses on the internal labour market, compensating the weaknesses of the internal labour demand by sending workers abroad. Thus, the government mitigates unemployment and its negative consequences by providing people with opportunities to earn a temporary income abroad, acquire new skills, and support their families via remittances, alleviating poverty. There is also the objective of supporting these workers to come back and reintegrate into the Timorese economy by opening their own businesses, re-investing their saving, and sharing the skills that they acquired abroad for the shake of the development of the country and the growth of its economy.
Number of participants	Since 2012 until now, 10,299 workers have participated in the PALM scheme. DNEE has set 2,000 workers as a target for 2023, out of which 1,591 have already been deployed. 3,566 were deployed in 2022. ¹²⁵
Monitoring of labour market outcomes	DNEE monitors the salaries, sector of employment, and gender of participants in the PALM scheme, among other parameters. It does not monitor the economic activities and employment outcomes of participants upon their return.
Possible changes in design	DNEE has invested in modernizing their systems (on-line applications) also aware of the reported (by informants of this study) possible lack of full transparency in the selection and recruitment. DNEE wants to run a survey on returned migrants. DNEE is piloting a labour mobility project with Japan, where the monthly salary is fixed at US\$1,200.
Sources of information	1) DNEE databases; 2) KII with the National Director of Overseas Employment; 3) KII with the Executive Director for National Employment Strategy; 4) https://www.palmscheme.gov.au/countries/timor-leste

¹²⁵ The National Director of Overseas Employment mentioned during a KII conducted for this study that no PALM worker has ever dropped out from the scheme. Indeed, demand for the PALM and EPS is very high with more than 13,000 candidates having registered to participate in 2023.

Republic of Korea Employment Permit System (EPS) scheme	
Primary area of intervention	Public works and public employment schemes-including foreign employment / seasonal work schemes
Secondary area of intervention	Skill training
Main programme operator and implementing partners	The programme is operated by SEFOPE-DNEE in collaboration with the Human Resources Development Service of the Republic of Korea since 2009. FDCH provides funding for the recruitment and training process.
Elements of the design and operations	Participants from all over the national territory can apply to the programme at SEFOPE's municipal offices or on-line. The EPS programme includes a training component that focus on labour conflict resolution, Korean language, and Korean law, with the language training being subsidized by the Timorese government. Participants need to pass a test before being accepted in the programme. The Republic of Korea's government provides counselling services and monitoring in the early stage of entry in the country and facilitates to returned emigrants with a good performance to go back to work in the Republic of Korea. ¹²⁶ Labour Attaches in Timorese embassies are responsible for protecting workers' rights while participating in the EPS programme. Workers coming back to Timor-Leste can benefit from reintegration through an inter-ministerial programme that orients and provide technical assistance to identify priority areas for investment and start their own businesses. Returned migrants might benefit from public entrepreneurship subsidies but these are spread across other different government programmes that do not target this population exclusively.
Eligibility and targeted group	The programme does not exclusively target youth, but this group can also benefit from it.
Age range	There is no official policy delimiting participants' age. ¹²⁷
Source and amount of funding	In 2023 the General State Budget allocated US\$1,135,660 to run the recruitment, selection and training of workers participating in both the PALM and EPS schemes. ¹²⁸ Timor-Leste investments on the EPS scheme up to date amount up to US\$14,444,328. ¹²⁹ Nevertheless, most of the cost of participating in the programme is supported by employers (in the destination country) and employees, for example regarding reallocation expenses.
Period of engagement	EPS offers contracts from 3 years to 4 years and 8 months. ¹³⁰ Extensions are not allowed but good-performing workers, who have returned to Timor-Leste for at least 3 months, can reengage in the EPS for a maximum of 4 years and 10 months.
Financial support and in-kind benefits	EPS contracts are standardised paying US\$2,000/month to all workers.
Programme geographical availability and actual coverage	Workers from all municipalities have enrolled in the EPS scheme. RAEOA register the minimum number of participants, 247, while Dili the maximum, with 865.

¹²⁶ <https://www.hrdkorea.or.kr/ENG/4/3>

¹²⁷ The National Director of Overseas Employment mentioned during a KII conducted for this study that the Republic of Korea generally prefers workers between 28 and 39 years of age and that most of the workers that DNEE selects are younger than 35 years old. For this study, we could not find any official written policy while the DNEE databases consulted did not disaggregate participants by age range".

¹²⁸ Ministry of Finance. Budget Books: Budget Developments. Expenditure Section. Volume 1 & 2, pages 250 & 566. Timor-Leste, 2023. Atividade 9832209: Colocação e Protesão Trabalhador Exterior & Atividade 3040239: Formação de língua Coreana e formação para os candidatos de trabalhadores para Austrália com orientação no mercado laboral exterior.

¹²⁹ DNEE Databases.

¹³⁰ <https://www.hrdkorea.or.kr/ENG/4/3>

Republic of Korea Employment Permit System (EPS) scheme	
Rationale	The programme aims at alleviating the pressure that excess of labour supply poses on the internal labour market, compensating the weaknesses of the internal labour demand by sending workers abroad. Thus, the government mitigates unemployment and its negative consequences by providing people with opportunities to earn a temporary income abroad, acquire new skills, and support their families via remittances, alleviating poverty. There is also the objective of supporting these workers to come back and reintegrate into the Timorese economy by opening their own businesses, re-investing their saving, and sharing the skills that they acquired abroad for the shake of the development of the country and the growth of its economy.
Number of participants	Since 2009 until now, 5,457 workers have participated in the EPS scheme. The Republic of Korea imposes a quota of 500 new workers per year. In 2023 369 workers have been sent so far. In 2022 the quota was lifted, and 1,160 new workers were sent. Only twelve workers have dropped out from the scheme before completion, all of them because of demise.
Monitoring of labour market outcomes	DNEE monitors the salaries, sector of employment, municipality of origin, and gender of participants in the EPS scheme, among other parameters. It also monitors the number of returned workers, 958 up to date. It does not monitor the economic activities and employment outcomes of participants upon their return.
Possible changes in design	DNEE has invested in modernizing their systems (on-line applications) also aware of the reported (by informants of this study) possible lack of full transparency in the selection and recruitment. DNEE aims to reduce dependency from the Republic of Korea Student Language Program Agency and the cost that the training pose to the State Budget. According to DNEE, there is an ongoing endeavour to open the EPS programme to more women, but this is not met with open agreement by the host country because of the nature of the work. DNEE wants to run a survey on returned migrants. DNEE is piloting a labour mobility project with Japan, where the monthly salary is fixed at US\$1,200.
Sources of information	1) DNEE databases; 2) KII with the National Director of Overseas Employment; 3) KII with the Executive Director for National Employment Strategy; 4) https://www.hrdkorea.or.kr/ENG/4/3

Administrative Post Workforce Programme (Programa Mão de Obra do Posto Administrativo, PMOPA)	
Primary area of intervention	Public works and public employment schemes-including foreign employment / seasonal work schemes
Secondary area of intervention	None
Main programme operator and implementing partners	The Administrations of Administrative Posts operate the programme in their territorial jurisdiction under the guidance and supervision of the Ministry of State Administration (MAE) – General Directorate of Rural Development and in cooperation with Municipalities.
Elements of the design and operations	Administrative Posts employ residents for short-term service contracts to carry out minor maintenance or enhancement works at the Administrative Post's headquarters, gardens, sanitation, and public infrastructures within their territorial jurisdiction. Administrative Posts can also employ residents to respond to natural disaster and emergency situations. RAEOA is not covered by the programme.
Eligibility and targeted group	The programme does not exclusively target youth, but this group can also benefit from it. Selection of workers must prioritise those living nearby the areas of intervention, ensuring gender equality and no discrimination of people with disabilities.
Age range	Over 17 years old.
Source and amount of funding	In 2023 the General State Budget allocated US\$6,249,249 to the programme. ¹³¹
Period of engagement	Period of engagement depends on the activity. For activities that last more than 30 days, two teams rotating each week must be recruited. In 2022, the maximum amount that workers could receive was US\$7 /day for Team Leaders and US\$5 /day for other team members. However, that ceiling can be adjusted every year to consider inflation.
Financial support and in-kind benefits	In 2022, the maximum amount that workers could receive was US\$7 /day for Team Leaders and US\$5 /day for other team members. However, that ceiling can be adjusted every year to consider inflation.
Programme geographical availability and actual coverage	In 2023 the programme implements activities in Aileu (186), Ainaro (186), Baucau (279), Bobonaro (279), Covalima (326), Atauro (47), Dili (233), Ermera (279), Lautem (279), Liquisa (163), Manatuto (279), Manufahi (186) and Viqueque (233).
Rationale	The programme aims to mitigate the negative socioeconomic consequences of rural unemployment, maintaining and building public infrastructure, fostering decentralization, and improving the quality of the public services that Administrative Posts provide to citizens.
Number of participants	In 2023, the programme is expected to create 59,135 labour days or 300 full-time equivalent jobs. In 2022, all the 3,510 activities planned were implemented creating 71,241 labour days or approx. 350 full-time equivalent jobs. ^{132,133}
Monitoring of labour market outcomes	The programme includes a mechanism to monitor and evaluate the results delivered by the supported activities, however no information regarding participants labour market outcomes has been made available so far.

¹³¹ Ministry of Finance. Budget Books: Informative Elements. Volume 1, page 312. Timor-Leste, 2023.

¹³² Assuming 200 working days/year.

¹³³ RDTL. 2022 Annual Performance Report, page 45.

Administrative Post Workforce Programme (Programa Mão de Obra do Posto Administrativo, PMOPA)	
Possible changes in design	None
Sources of information	1) Ministry of Finance. Budget Books: Informative Elements; 2) RDTL 2022 Annual Performance Report; 3) MAE Diploma No. 17/2022 of 1 June PMOPA.

Renewed Village Movement Programme (Programa Movimento Hafoun Aldeia, PMOHA)	
Primary area of intervention	Public works and public employment schemes-including foreign employment / seasonal work schemes
Secondary area of intervention	None
Main programme operator and implementing partners	Villages operate the programme under the guidance and supervision of the MAE – General Directorate of Rural Development in cooperation with Municipalities and Inter-ministerial Council of Technical Coordination.
Elements of the design and operations	The MAE defines every year the activities for which the programme can finance both capital and labours costs, including building public infrastructure, buying equipment, and starting social businesses. The Village Assembly selects the activities to be recommended for funding to the Minister of State Administration and appoints a Village Committee that is responsible for their implementation. In 2023 the programme implements activities in 18 villages in Aileu (1), Ainaro (2), Baucau (3), Bobonaro (2), Covalima (2), Dili (1), Ermera (3), Lautem (1), Liquisa (1), and Viqueque (2).
Eligibility and targeted group	Only the village's residents can participate in the programme, but the Ministerial diploma regulating the eligibility and selection criteria has not been produced yet. The programme does not exclusively target youth, but this group could benefit too.
Age range	Not defined.
Source and amount of funding	In 2023 the General State Budget allocated 365,000 to the programme. ¹³⁴
Period of engagement	Not defined.
Financial support and in-kind benefits	Each village receive a grant of US\$20,000-30,000 to develop economic activities. Participants in the activities are entitled to a financial incentive but the Ministerial diploma (regulation) determining the amount has not been produced yet.
Programme geographical availability and actual coverage	So far in 2023 only 10 villages have been included in the programme.
Rationale	The programme aims at building the interpersonal and professional skills of community members to develop economic activities of common interest and potentially profitable. A change of mindset in participants is expected so that they put their individual effort at the service of the common interest.
Number of participants	144 people has participated in the awareness raising activities regarding the programme, but activities have not started yet.
Monitoring of labour market outcomes	The programme includes a mechanism to monitor and evaluate the results delivered by the supported activities, however, no information regarding participants' labour market outcomes has been made available so far.

¹³⁴ Ministry of Finance. Budget Books: Informative Elements. Volume 1, page 338. Timor-Leste, 2023.

Renewed Village Movement Programme (Programa Movimento Hafoun Aldeia, PMOHA)	
Possible changes in design	There are some aspects of the programme that need to be regulated by ministerial regulation (diploma), which have not been produced yet. The activities eligible within the programme might change every year.
Sources of information	1) Ministry of Finance. Budget Books: Informative Elements; 2) Decree-law No. 23/2021 of 10 of Novembre PMOHA; 3) ? 4) MAE Ministerial diploma N.º 13/2022

Roads for Development (R4D) Programme	
Primary area of intervention	Public works and public employment schemes-including foreign employment / seasonal work schemes
Secondary area of intervention	None
Main programme operator and implementing partners	The Ministry of Public Works through the National Directorate of Roads, Bridges, and Flood Control operates the programme since 2012 in partnership with DFAT. Until 2021 ILO provided technical assistance to implement the programme.
Elements of the design and operations	The programme engages local labourers in short-term employment opportunities generated by capital investments in rural road works. Projects are managed by private contractors, but local communities are involved in the selection of labourers and in the distribution of the employment opportunities.
Eligibility and targeted group	The programme does not exclusively target youth, but this group could benefit too.
Age range	18 years of age or older.
Source and amount of funding	In 2023 the General State Budget allocated US\$16,997,626 to the programme to <i>cover both</i> capital and labour costs of infrastructure development. ¹³⁵ DFAT has funded the programme with AUD65 million in grants between 2012 and 2022. ¹³⁶
Period of engagement	The programme applies a work rotation system among labourers. Although rotation should not happen more frequently than every 6 weeks, labourers only work 27 days on average.
Financial support and in-kind benefits	Reportedly, R4D labourers are paid at least the national minimum wage.
Programme geographical availability and actual coverage	Programme interventions focus on rural roads across the whole national territory.
Rationale	The programme follows the Labour-Based Approach providing employment opportunities for unskilled people in rural areas. Participants acquire new and enhanced construction skills and earn an additional income that they can re-invest in micro enterprises. Improvements in the dynamism of the local labour market, infrastructure development, and increased access to markets have long-term multiplier effects on the employment and income of benefited communities.
Number of participants	Between 2012 and 2022 the programme created 2 million workdays of short-term employment ¹³⁷ , or an equivalent of 1,000 full-time jobs per year. ¹³⁸
Monitoring of labour market outcomes	In the past ILO monitored the impact of the programme on participants labour market outcomes. The programme has a positive impact on employability and income of participants through increase in market access, transfer of skills, increase in savings, and opening of new businesses.

135 Ministry of Finance. Budget Books: Budget Developments. Expenditure Section. Volume 1, page 321. Timor-Leste, 2023. Atividade 0260305: Construir, reabilitar as estradas e pontes rurais (R4D) and Atividade 0260310: Manter e conservar as pontes e estradas rurais (R4D)

136 <https://www.dfat.gov.au/geo/timor-leste/development-assistance/australias-development-program-in-timor-leste-infographic>

137 https://www.ilo.org/jakarta/whatwedo/publications/WCMS_882555/lang--en/index.htm

138 Assuming 200 working days/year.

Roads for Development (R4D) Programme	
Possible changes in design	Since 2023 the Ministry of Public Works through the National Directorate of Roads, Bridges, and Flood Control is the only operator of the programme.
Sources of information	1) Ministry of Finance. Budget Books: Budget Developments; 2) Timor-Leste R4D-SP Mid-term review; 3) ILO Brief on R4D Project: 10 Years R4D; 4) ILO R4D Labourers Survey, 2015

National Programme for Village Development (Programa Nasional Dezenvolvimentu Suku, PNDS)	
Primary area of intervention	Public works and public employment schemes-including foreign employment / seasonal work schemes
Secondary area of intervention	None
Main programme operator and implementing partners	The programme is operated by MAE through the PNDS Technical Secretariat and with the Support of DFAT through the PARTISIPA programme.
Elements of the design and operations	PNDS is a community-based programme. Rural communities identify, design, and implement the infrastructure projects funded by PNDS. Projects provide short-term employment opportunities to their rural community members.
Eligibility and targeted group	The programme does not exclusively target youth, but this group could benefit too.
Age range	Not defined, but unskilled workers are mainly younger than 35 years old.
Source and amount of funding	In 2023 the General State Budget allocated US\$95,488,508 to the programme to cover both capital and labour costs of infrastructure development. ¹³⁹
Period of engagement	Not defined, but typically between 3 and 5 months.
Financial support and in-kind benefits	Unskilled workers used to receive a wage of US\$5 /day and skilled workers US\$7 /day, but the programme payment system changed to piece-work payments to reduce absenteeism.
Programme geographical availability and actual coverage	PNDS currently implements at least one new collective infrastructure project, with an average value of around US\$50,000, in each suco per year. Programme interventions focus on rural areas across the whole national territory. In 2023 it is expected to benefit 452 sucus and 2,233 villages.
Rationale	The programme aims at reducing poverty in local and rural communities throughout the whole national territory by investing in the development of basic infrastructures (piped water, roads, bridges, houses, etc) and creating short-term employment opportunities.
Number of participants	From June 2013 until December 2019, the programme employed 12,207 workers. From June 2013 until June 2023, the programme has employed at circa. 22,070 worker and it targets to reach 24,550 by the end of the year. It must be borne in mind that some people are employed in more than one PNDS project within a year.
Monitoring of labour market outcomes	No information available.
Possible changes in design	No information available.
Sources of information	1) KII with PARTISIPA staff; 2) Budget Books; 3) Decree-Law No. 94 / 2022 of 28 December; 4) PNDS Infographic 2020.

¹³⁹ Ministry of Finance. Budget Books: Informative Elements. Volume 1, page 275. Timor-Leste, 2023.

Green Jobs for Rural Youth Employment (GJ4RYE)	
Primary area of intervention	Subsidies to employers for hiring young people
Secondary area of intervention	1) Entrepreneurship training and business support services provided to young women and men by government or private organizations without the general education system. 2) Special access to financial services for young entrepreneurs (capital, insurance and banking) provided by government or private organizations;
Main programme operator and implementing partners	Under the supervision of the Department of Social Policies and Rural Institutions, TL-FAO operates the programme in partnership with the Ministry of Agriculture and Fisheries and SEFOPE. It was launched in 2019.
Elements of the design and operations	The Wage Employment initiative provides 50 youths with a two-year employment contract in a public or private institutions. The Green Entrepreneurship initiative support 50 local youths to start-up green businesses in the areas of local food systems, energy, and waste management. Participants receive soft-skill training, support to elaborate their business proposals, seed money, and business mentoring from the Ministry of Agriculture and Fisheries and SEFOPE. 200 youths receive training on Green Jobs across rural economic sectors with focus on agriculture and renewable energy. One local organization will be trained on the green economy, while 100 government officials will receive capacity development and policy support. Indirectly, 9,000 youth will be trained by the partnering local organizations. The programme covers the rural and peri-urban areas of Ermera, Baucau, Manufahi, and Dili.
Eligibility and targeted group	The programme exclusively targets youth, with 20 per cent of participants holding a university degree and 80 per cent not. 50 per cent of the positions are reserved for female and in the case of Timor-Leste priority is given to vulnerable youth between 15 and 17 years old.
Age range	The programme targets youths aged 15 to 24 years old, but the reality is that participants were 18 to 35 years old.
Source and amount of funding	KOIKA's awarded a grant of US\$5,940,594 to implement the intervention in Timor-Leste, Zimbabwe and Sierra Leone. The total amount allocated to Timor-Leste was circa US\$1,980,198.
Period of engagement	Two years.
Financial support and in-kind benefits	Participants in the Wage Employment initiative received the legal minimum wage, currently US\$135/month. Participants in the Green Entrepreneurship initiative receive US\$2,500 for each business proposal, individually or as a group.
Programme geographical availability and actual coverage	Supported businesses and hosting institutions were located in Ermera (11), Baucau (12), Manufahi (14), and Dili (1). Nevertheless, Uma Lafatik in Dili is in an urban area.
Rationale	Green jobs can contribute to achieving the Sustainable Development Goals through the provision of innovative solutions to climate change and environmental degradation, while supporting decent work for vulnerable and marginalized population in rural areas. Revitalising rural economies and promoting green jobs for rural youth is essential to address the unemployment crisis, and mitigate some adverse drivers of migration, and to reduce poverty and inequality.

Green Jobs for Rural Youth Employment (GJ4RYE)	
Number of participants	70 youth were selected to participate in the Wage Employment initiative and 33 in the Green Entrepreneurship initiative in 2022. The Wage Employment initiative has a 7 per cent dropout rate.
Monitoring of labour market outcomes	FAO does regular and consistent monitoring of participant's progress. Since activities are still ongoing, it is impossible to know their impact on participants' labour market outcomes.
Possible changes in design	Originally the project is expected to end in 2024 and it is unknown if it will have continuity or not.
Sources of information	1) GJ4RYE Project Document; 2) KII with TL-FAO project manager; 3) Factsheet Green Jobs for Rural Youth; 4) Information material green jobs for rural youth employment.

► Annex 3. Interventions aimed at supporting youth entrepreneurship

Business Incubator Facility (Facilidade Incubação de Negócios, FIN)	
Primary area of intervention	Special access to financial services for young entrepreneurs (capital, insurance and banking) provided by government or private organizations.
Secondary area of intervention	Entrepreneurship training and business support services provided to young women and men by government or private organizations without the general education system.
Main programme operator and implementing partners	The programme is operated by IADE through the National Directorates of Operations and Coordination, Human Resource Training and Capacity Building, and Planning, Monitoring, and Evaluation.
Elements of the design and operations	FIN facilitates working capital to participants, purchase of equipment, and supply of raw materials. FIN beneficiaries can also receive other types of support provided by IADE: Training Needs Assessment; General and Specific Business Skill Training; Business counselling, Business Promotion and Marketing. The FIN programme can be access through any of the 13 IADE branches, the CDEs, located in the capital of municipalities.
Eligibility and targeted group	The programme does not exclusively target youth, but it prioritizes youth and women. The only requirement to participate is to have an active operational business or a start-up.
Age range	17 to 45 years old.
Source and amount of funding	In 2023 the General State Budget directly allocated US\$6,000 to this programme. ¹⁴⁰ The IADE Executive Director mentioned during a FGD conducted for this study that there are other US\$150,000 allocated to this programme scattered through other budget lines. UNDP-YEES is supporting the programme implementation with US\$279,150. ¹⁴¹
Period of engagement	The purchase of equipment is normally a one-off operation. Participants can benefit from business counselling within the FIN programme for up to 2 years, but operational costs are covered only during the first year.
Financial support and in-kind benefits	IADE estimates that between 2019 and 2023 the monetary value of the support provided to FIN participants range from US\$1,000 to 14,000, with most receiving between US\$7,000 and 10,000.
Programme geographical availability and actual coverage	In 2023, FIN participants are located only in Dili, Baucau, Liquiça, Ainaro, Manatuto and Lautem.
Rationale	FIN provides funding to micro and small entrepreneurs both to start or scale up their businesses. The programme focuses on fostering the expansion of innovative business models that have potential to create employment for other people.

¹⁴⁰ Ministry of Finance. Budget Books: Budget Developments. Expenditure Section. Volume 2, page 579. Timor-Leste, 2023. Atividade 9832604: Apoio de Incubação de Empresas.

¹⁴¹ <https://www.rmtl.org/blog/2023/04/13/iade-undp-asina-akordu-projetu-yes/>

Business Incubator Facility (Facilidade Incubação de Negócios, FIN)	
Number of participants	FIN supported 18 entrepreneurs in 2021 and 17 in 2022. In 2023 (July), there are 11 participants already receiving support.
Monitoring of labour market outcomes	Monitoring in 2022 revealed that the 18 businesses supported in 2021 were all successful and operational, employing a total of 130 workers.
Possible changes in design	The number of participants is expected to exceed 310 entrepreneurs following the new partnership with UNDP-YEES. In 2023 YEES support will concentrate in the municipalities of Dili, Ermera, Liquiça, and Baucau, but IADE's wants to extend it to the rest of the country in 2024. IADE aims to innovate and improve the programme's delivery by building the capacity of their human resources, improving their facilities, and purchasing new equipment.
Sources of information	1) Budget Books; 2) FGD with the IADE; 3) RDTL 2022 Annual Performance Report.

Business Plan and Innovation Competition (Competição Plano Negócios e Inovação, KPNI)	
Primary area of intervention	Special access to financial services for young entrepreneurs (capital, insurance and banking) provided by government or private organizations.
Secondary area of intervention	Entrepreneurship training and business support services provided to young women and men by government or private organizations without the general education system.
Main programme operator and implementing partners	The programme is operated by the IADE through the National Directorates of Operations and Coordination, Human Resource Training and Capacity Building, and Planning, Monitoring, and Evaluation.
Elements of the design and operations	Participants can register at any of the 13 IADE branches, the CDEs, located in the capital of municipalities. Youth present innovative business ideas in a particular sector that changes every year, being the livestock industry for the 2023 edition. Participants engage in different activities like business training, counselling, pitching of business plans, and reception of monetary prizes.
Eligibility and targeted group	The programme targets young people with active operational businesses or start-up ideas, prioritizing women.
Age range	Not defined but focus on youth.
Source and amount of funding	In 2023 the General State Budget directly allocated US\$2,000. ¹⁴² The IADE Executive Director mentioned during a FGD conducted for this study that there are other US\$45,000 allocated to this programme scattered through other budget lines. Donors also support the programme. Kompanha Santos donated US\$20,000 to buy meals, educational materials, rent spaces, etc. Timor-Telecom provides telecommunication packages for free for the trainers, KPNI team members, and awardees. Timor-Telecom also donates smartphones and other materials to awardees. Finally, Timor Plaza facilitated their space for KPNI's activities. Participants pay US\$3 for the registration fee and US\$20 for the training fee.
Period of engagement	The competition takes 7 months since participants register and until prizes are awarded.
Financial support and in-kind benefits	The first winner receives a monetary prize of US\$5,000, the second winner US\$4,000, and the third US\$2,000. The other 7 awardees receive between US\$500 and 750. Prizes are expected to be used for purchase of equipment and raw materials, and to cover operational costs. All participants receive certificates and in-kind support to facilitate participation like meals, transportation allowances, and learning and training materials.
Programme geographical availability and actual coverage	The launch of the competition takes place in Dili but following this, activities are implemented in each municipality. The participants with the 10 best business plans are invited to make a final pitch in Dili. Awards are neither balance across municipalities nor between rural and urban areas.
Rationale	KPNI aims to promote the production of innovative and quality product and services by young Timorese entrepreneurs. The programme fosters a culture of entrepreneurship among youth so that they can contribute to the national economic development by deepening their knowledge about innovative businesses, preparation of sustainable business plans, identification of investment priorities, and more effective and efficient business operations.
Number of participants	In 2022, IADE awarded 11 KPNI prizes. In 2023 406 participants have registered in the competition but only 10 prizes will be awarded. There is a drop-out rate of around 5 per cent of the registered participants, who find a better opportunity like scholarships, employment in Republic of Korea and Australia, or traineeships abroad.

142 Ministry of Finance. Budget Books: Budget Developments. Expenditure Section. Volume 2, page 578. Timor-Leste, 2023. Atividade 9832603: Desenvolver Ideias de Negócios Inovadores.

Business Plan and Innovation Competition (Competição Plano Negócios e Inovação, KPNI)	
Monitoring of labour market outcomes	IADE does not monitor the labour market outcomes of programme beneficiaries. ¹⁴³
Possible changes in design	Every year the sector of intervention changes following government priorities. IADE is considering narrowing down KPNI targeted population, perhaps university students.
Sources of information	1) Budget Books; 2) FGD with IADE; 3) RDTL 2022 Annual Performance Report.

¹⁴³ We could not find any precise indication about the monitoring of disbursements to participants, i.e. how it is verified that prizes are effectively employed for business purposes.

Business Innovation Challenge Competition (Competição de Negócios Inovadores, KNI)	
Primary area of intervention	Special access to financial services for young entrepreneurs (capital, insurance, and banking) provided by government or private organizations.
Secondary area of intervention	Entrepreneurship training and business support services provided to young women and men by government or private organizations without the general education system.
Main programme operator and implementing partners	The programme is operated by MTCI through the National Directorate of Support and Development of MSMEs (DNADMPME) in collaboration with IADE, UNDP-YESS and KOICA. The first edition took place in 2021.
Elements of the design and operations	In 2023 the competition was opened to companies registered in Aileu, Ainaro, Ataúro, Baucau, Bobonaro, Covalima, Ermera, Liquiça, Manufahi, Manatuto and Viqueque ¹⁴⁴ , while RAEOA run a parallel programme, Oé-cusse Business Incubator. ¹⁴⁵ DNADMPME conducts field inspections to verify candidates' businesses – when they exist- and selects those who will participate in the business training. Participants develop their business plan using the CANVAS model and participate in a 3 days bootcamp with networking activities and visits to other MSMEs. Awardees must perform three pitching before receiving the equipment and machinery requested in their business plans and some small monetary prizes. DNADMPME incubates beneficiaries supporting them to register at the Business Registration and Verification Service (SERVE), prepare business plans, learn bookkeeping, prepare financial reports, etc.
Eligibility and targeted group	In the past the programme targeted returned migrants but in the 2023 edition the only requirement to participate is to be between 18 and 35 years old and own a business registered in SERVE. ^{146,147}
Age range	18 to 35 years old.
Source and amount of funding	Between 2021 and 2022 the General State Budget allocated US\$1,400,000 to the programme. ¹⁴⁸ In 2023 the General State Budget has allocated US\$992,036 under the Sub-programme 98309: Support to the Development of National Industries. ¹⁴⁹ Additional funding is expected from KOICA through UNDP-YEES programme.
Period of engagement	The competition phase takes between 6 and 12 months since participants register and until they receive the equipment. The incubation phase extends the programme support for one additional year. After that DNADMPME supports participants to apply to the Soft Credit programme if they are willing to do so.
Financial support and in-kind benefits	All participants are supported to cover participation expenses. The winners from the competition receive equipment and machinery to start-up their business. Moreover, the first winner receives a monetary prize of US\$1,500, the second winner US\$1,000, and the third US\$800. The monetary value of the financial support provided by the programme during the 2021-2022 competitions ranged from US\$2,487.00 to US\$12,646.26 for a total amount of US\$888,928.00.
Programme geographical availability and actual coverage	All municipalities are represented among winners although such representation is not balanced. During the 2021-2022 competitions, only 1 person from Atauro received financial support for a value of US\$8,620, while in Dili there were 25 people supported with US\$167,802.

144 https://pt.tatoli.tl/2023/03/02/_trashed-13_trashed/

145 <https://www.undp.org/timor-leste/press-releases/business-innovation-challenges-competition-2023-oe-cusse>

146 https://pt.tatoli.tl/2023/03/02/_trashed-13_trashed/

147 The Director of DNADMPME mentioned during a FGD conducted for this study that start-up that are not yet active/operational can also participate.

148 DNADMPME Internal Report, May 2023.

149 Ministry of Finance. Budget Books: Budget Developments. Expenditure Section. Volume 2, page 647. Timor-Leste, 2023. Atividade 9832603: Desenvolver Ideias de Negócios Inovadores.

Business Innovation Challenge Competition (Competição de Negócios Inovadores, KNI)	
Rationale	The programme encourages youth with different, innovative, and unique business ideas to extend their knowledge and invest in social businesses in the areas of agriculture, fishery, tourism, manufacturing, commerce, food technology and innovation to contribute to economic growth and satisfy the needs of the community. The programme mainly provides financial capital under the form of acquisition of machines and equipment for youth presenting a start-up business plan and for those who already have an undertaking but want to improve the quality of their products, production processes, and customer services or optimize their operations to further reach economic efficiency. Apart from supporting the creation and development of MSMEs owned by youth, the programme aims to create jobs, develop the innovative ecosystem of the country, and involve youths in fostering the growth of the economy contributing to the materialization of Sustainable Development Goals 8 and 9.
Number of participants	In 2021 and 2022 the programme received 1,274 applications ¹⁵⁰ , out of which 146 received support. In 2023 the programme received 1,045 applications and the target is to support 128 MSMEs owned by youth.
Monitoring of labour market outcomes	DNADMPME does follow-up and monitoring of the beneficiaries' business progress. The 146 MSMEs supported during the 2021 and 2022 competitions currently provide employment to 699 young people. DNADMPME does not systematically collect information on the income generated by beneficiaries, but it does evaluations. 48 per cent of the evaluated MSMEs were considered successful (formalized, financially sustainable, and profitable).
Possible changes in design	1) Strengthening participation of youth from rural areas. 2) Providing further support to access the Soft Credit Programme. 3) Building the Business Incubator facilities as a one-stop shop for young entrepreneurs to access information, promote their business, receive training and capacity building, networking, and access capital. 4) Approving a ministerial decree allowing to size the equipment and machinery purchased for failed MSMEs. 5) Focusing on promoting already operational MSMEs through business fairs instead of starting up new businesses.
Sources of information	1) Budget Books; 2) FGD with the General Directorate of Industry; 3) RDTL 2022 Annual Performance Report; 4) DNADMPME Internal Report, May 2023.

¹⁵⁰ There have been some dropouts, but they are not consistently recorded.

Incentivizing Youth Social Entrepreneurship in Sucus (Estimulu Empreendedorismo Social Juventude Suku, EESJS)	
Primary area of intervention	Special access to financial services for young entrepreneurs (capital, insurance, and banking) provided by government or private organizations.
Secondary area of intervention	None
Main programme operator and implementing partners	The programme is operated by the SEJD through the National Directorate for Youth Creativity. MAE, Administrative Post Working Units, Municipal Youth Centres and Sucu Chiefs are implementing partners.
Elements of the design and operations	Youth groups must elaborate a proposal to start or enhance productive activities in the areas of horticulture, livestock, aquaculture, environmental conservation, tourism, recycling, hospitality, commerce, and logistics, among others. Proposals are evaluated by a committee formed by staff from SEJD, Post Administration, and Sucu Chiefs. The committee decide whether to award a grant to the group's proposal and the grant amount. The programme is available in urban and rural areas of Aileu, Ainaro, Bobonaro, Covalima, Dili, Atauro, Ermera, Lautem, Liquiça, Manatuto, Manufahi, and Viqueque.
Eligibility and targeted group	The programme universally targets young people.
Age range	12 to 30 years old.
Source and amount of funding	In 2022 the General State Budget directly allocated US\$547,364 to this programme. ¹⁵¹ In 2023 the programme was scaled down receiving only US\$47,743 and renamed as Supporting Youth Initiatives. ¹⁵²
Period of engagement	The period of engagement varies depending on how groups implement proposals. Subsidies are paid in two instalments, 40 per cent after the proposal is approved and 60 per cent after justifying the application of that 40 per cent. Some groups selected in 2021 had not received the second instalment yet in 2022.
Financial support and in-kind benefits	The minimum and maximum grant amount is not defined. In 2021, the average grant by group was US\$782.
Programme geographical availability and actual coverage	Youth groups from the 12 targeted municipalities participated in the programme.
Rationale	The programme provides grants for social enterprises led by youth with the aim of building the social capital of their communities and promote the participation of youth in economic activities. Social enterprises will contribute to increase the number and quality of the goods and services available to the community and youth will be able to earn an income to support their families.
Number of participants	In 2021, 354 groups of youths were selected to participate in the programme. In 2022, the target was to benefit 375 additional groups. By the end of 2022 the programme had benefitted 515 groups and 3,637 young people.

¹⁵¹ Ministry of Finance. Budget Book: Annual Action Plans, page 154. Timor-Leste, 2022. *Atividade 9803805: Incentivo para o Empreendedorismo Social na Juventude dos Sucos.*

¹⁵² Ministry of Finance. Budget Books: Budget Developments. Expenditure Section. Volume 1, page 306. Timor-Leste, 2023. *Atividade 9803809: Apoio iniciativas da juventude*

Incentivizing Youth Social Entrepreneurship in Sucus (Estimulu Empreendedorismu Social Juventude Suku, EESJS)	
Monitoring of labour market outcomes	The programme includes a mechanism to monitor and evaluate the results delivered by the supported activities, however no information has been made available so far.
Possible changes in design	In 2023 the programme was discontinued due to lack of funding, but the General Directorate of Youth and Sport would like to reintroduce it if resources become available.
Sources of information	1) Budget Books; 2) KII with SEJD; 3) RDTL 2022 Annual Performance Report; 4) ToRs Incentivising Youth Social Entrepreneurship in Sucus

Academy for Women Entrepreneurship (AWE) Programme	
Primary area of intervention	Entrepreneurship training and business support services provided to young women and men by government or private organizations without the general education system.
Secondary area of intervention	Special access to financial services for young entrepreneurs (capital, insurance, and banking) provided by government or private organizations.
Main programme operator and implementing partners	The programme is operated by AEMTL since 2021. It counts with the collaboration of the CCI-TL and the support of the U.S. Embassy in Timor-Leste.
Elements of the design and operations	The programme mainly teaches participants core business skills like strategic planning, marketing, and financial management, while offering a networking space for emerging young women entrepreneurs. Participants are supported to identify a business idea and develop a business plan. Plans are presented in a business idea competition. Winners are awarded small start-up grants. Graduates integrate into the Academy's network, become part of the CCI-TL business hub, and might acts as co-trainers in future editions.
Eligibility and targeted group	The programme targets young women and Lesbian, Gay, Bisexual, Transgender, Queer, and Intersex (LGBTQI+) persons who owned an innovative start-up that has less than 2 years and is integrated in the CCI-TL. Only businesses located in Dili, Viqueque, Ermera and Liquiça urban and rural areas can participate.
Age range	18 to 35 years old. ¹⁵³
Source and amount of funding	The U.S. Embassy funds the programme since 2021. ¹⁵⁴ In 2023, the Embassy awarded a grant of US\$45,000. ¹⁵⁵
Period of engagement	Circa one month. ¹⁵⁶
Financial support and in-kind benefits	Only the three best business plans are awarded a start-up grant. In 2023, the first prize was US\$4,000, the second prize US\$2,400, and the third prize US\$1,440.
Programme geographical availability and actual coverage	The programme is only available in Dili, although there are participants from the other municipalities where the programme has been rolled out.
Rationale	The programme scales up women's managerial skills and support them to develop a business plan so that they can take their economic futures into their own hands, lead businesses that will change people's lives for the better and expand the economic prosperity of Timorese people.
Number of participants	In 2021-2022 there were 30 participants and in 2023 there are 45 participants.
Monitoring of labour market outcomes	Although income appears to vary among programme's graduates, all the women who took part in the 2021-2022 edition are currently running an enterprise, self-employed, or part of a cooperative of savings and loans.

153 https://www.facebook.com/CamaradeComercioeIndustriadeTimorLeste/posts/2057350041133204/?paipv=0&eav=AfaGtECE5J8ZPbx_A88tI66z6ZPPCWntcJVfND6o3x3NIzp1AO9zbiZVmOfRQRUURc&_rdr

154 <https://en.tatoli.tl/2022/11/23/over-30-formers-participants-of-awe-established-a-cooperative-load-to-help-other-women-entrepreneurs/09/>

155 <https://en.tatoli.tl/2023/03/18/usa-and-cci-tl-support-awe-offers-capacity-building-to-45-young-women-entrepreneurs/01/>

156 The AEMTL president mentioned during a KII conducted for this study that the business training component is standardized to be completed in two weeks but sometimes participants take more time to complete it because part of the training is online, part face-to-face.

Academy for Women Entrepreneurship (AWE) Programme	
Possible changes in design	Restricting participation to people who have not participated in previous editions of the programme or similar programmes. Introducing several programmes' levels (basic, intermediary, advance, etc) allowing to engage with further stages only if participants can prove results from the previous support received. Expanding to other municipalities so that the training is not only delivered in Dili.
Sources of information	1) Tatoli news; 2) CCI-TL facebook; 3) KII with the president of AEMTL.

Gender and Entrepreneurship Together (GET ahead) - Spotlight Programme	
Primary area of intervention	Entrepreneurship training and business support services provided to young women and men by government or private organizations without the general education system.
Secondary area of intervention	Special access to financial services for young entrepreneurs (capital, insurance and banking) provided by government or private organizations.
Main programme operator and implementing partners	The programme was operated in 2022 under a cooperation agreement between AEMTL, CCI-TL, and IADE, sponsored by ILO. ¹⁵⁷
Elements of the design and operations	A Training of Trainers (ToT) equipped AEMTL, CCI-TL, and IADE lead trainers with gender-sensitive entrepreneurship skills including basic management skill customized to the needs of low-income and marginalized groups. AEMTL, CCI-TL, and IADE selected staff delivered the Training of Entrepreneurs (ToE) to participants connecting them with relevant business networks, groups and institutions. The ToE was conducted in the capitals of the municipalities of Dili, Ermera, Viqueque and Bobonaro. Business coaching and mentoring in the implementation of business plan is the main component of the programme.¹⁵⁸
Eligibility and targeted group	The programme targets women victims of gender violence, people with disabilities and members of the LGBTQI+ community. The programme does not exclusively target youth, but this group can also benefit from it.
Age range	No age limit, but young people also participated.
Source and amount of funding	The Spotlight programme is funded by the European Union. In 2022 GET ahead funding equalled US\$62,901 and for 2023 it foresees a budget of US\$47,725 for coaching activities ¹⁵⁹
Period of engagement	Each one of the training sessions, ToT and ToE, took 5 days. ¹⁶⁰
Financial support and in-kind benefits	None. Only participants' transportation costs are covered. Nevertheless, the programme includes a training component about how to apply to the soft loan programme.
Programme geographical availability and actual coverage	The actual and theoretical coverage coincide. There were participants coming from rural areas.
Rationale	The ToE provides entrepreneurship skills and opportunities to women and other vulnerable groups so that they can become economically independent. The programme aims to compensate the lack of access to mainstream waged employment opportunities faced by vulnerable people, because of discrimination and socio-cultural norms, facilitating self-employment to them.
Number of participants	In 2022, 15 CCI-TL, AEMTL, and IADE staff members participated in the ToT. 144 women survivors, LGBTQI+ and persons with disabilities participated in the ToE. In 2023 the target is to deliver two weeks of coaching to 144 participants.

157 https://www.ilo.org/jakarta/info/public/pr/WCMS_854303/lang--en/index.htm

158 The AEMTL president mentioned during a KII conducted for this study that, additionally, AEMTL provided technical assistance and organized awareness raising workshops with bank representatives to facilitate participants' access to financing.

159 As reported by ILO Spotlight Programme Officer during a KII conducted for this study.

160 The AEMTL president mentioned during a KII conducted for this study that after the entrepreneurship training, coaching and mentoring continue for up to one year.

161 The ILO Spotlight Programme Officer mentioned during a KII conducted for this study that this is scheduled to happen in July or August, 2023.

Gender and Entrepreneurship Together (GET ahead) - Spotlight Programme	
Monitoring of labour market outcomes	There has been no monitoring of participants labour market outcomes after the ToE so far. Nevertheless, most of them had active but unregistered businesses when participating in the ToE.
Possible changes in design	Supporting participants in the ToE to formalize and register their businesses.
Sources of information	1) ILO website; 2) KII with ILO Spotlight Programme Officer; 3) KII with the president of AEMTL.

Soft Credit Programme (Crédito Suave)	
Primary area of intervention	Special access to financial services for young entrepreneurs (capital, insurance, and banking) provided by government or private organizations.
Secondary area of intervention	None
Main programme operator and implementing partners	The main programme operator is MTCI-DNADMPME and the Timor-Leste National Development Bank (BNCTL). Nevertheless, UNDP, Prime Minister Office, and IADE are also partners in the programme implementation. The programme was first piloted in 2021, and then scaled up in 2022.
Elements of the design and operations	Enterprises apply for the loan. DNADMPME verifies their activities and their compliance with the requirements to access the credit, which vary depending on the size of the company. A steering committee with representatives from different government agencies decides whether each application must be considered by BNCTL or not. BNCTL conducts its due diligence before awarding or not the loan. The bank decides on the lending conditions, essentially the loan amount, the collaterals and guarantees, and the maturity. There are no process or policies in place regulating the number of applications that must be recommended to BNCTL, with what periodicity, etc. Programme officers might request some applicants to modify some elements of their proposal before granting a final decision.
Eligibility and targeted group	The programme does not exclusively target youth, but this group can also benefit from it. Eligibility requirements depend on the size of the applying company. Companies can benefit independently of where they are located within the national territory. However, only companies operating within specified economic sectors are eligible.
Age range	No age limit, but young people also participated.
Source and amount of funding	In 2021 the programme was funded by UNDP with a US\$50,000 grant and Timor-Leste government, which provided a collateral guarantee of US\$ 1 million. In 2022 the government scaled up the collateral guarantee up to US\$ 50 million. Loans generates profits but it is unclear if they feed back into the programme.
Period of engagement	A large degree of uncertainty affects the waiting time since companies file an application and the awarding decision is communicated. Under ideal circumstances applicants might access the credit after 3 months from the moment of application. The maturity of the loans varies between 1 and 10 years.
Financial support and in-kind benefits	The loan amount can go from US\$1,000 to 1,000,000 with terms varying depending on BNCTL evaluation and multiple factors. Interests are fixed at 3 per cent annual rate, but grace periods can go from 3 to 6 months. Depending on their size, companies are requested to provide collaterals and guarantees for between 25 and 100 per cent of the loan value. Up to date only US\$737,394 have been lent.
Programme geographical availability and actual coverage	Companies that have accessed the credit or are being screened are currently located in Aileu, Ataúro, Baucau, Bobonaro, Díli, Ermera, Lautém, Liquiçá, Suai and Viqueque.
Rationale	The programme aims to facilitate access to capital to sustainable and successful business to promote their growth, contribute to economic diversification, and foster economic growth.

162 <https://pt.tatoli.tl/2022/07/22/bnctl-aprova-credito-suave-a-32-emoresas/>

163 <http://timor-leste.gov.tl/?p=31398>

164 The General Director of Industry mentioned during a FGD conducted for this study that proposals can be forwarded to BNCTL in 1-2 months after being filed. The AEMTL president reported that there are applicants who have waited 6 months to get a loan approved and that other have been waiting for more than one year without being notified on the decision.

165 The General Director of Industry mentioned during a FGD conducted for this study that the majority of applicants and beneficiaries concentrate in Díli.

166 <https://pt.tatoli.tl/2023/03/07/quarenta-empresas-ja-beneficiaram-do-programa-credito-suave/>

Soft Credit Programme (Crédito Suave)	
Number of participants	Since inception 46 enterprises have accessed financing through the programme, ¹⁶⁷ out of which there were at least 1 medium, 22 small, and 23 micro-ones. By July 2023, seventeen more MSMEs have applied to the programme and are eligible for funding.
Monitoring of labour market outcomes	BNCTL monitors the performance of borrowers but there is no monitoring of the overall impact of the programme in terms of employment creation, poverty reduction, or other socio-economic parameters. There are (July 2023) a couple of borrowers at risk of failing to meet their re-payment obligations, but no collateral has been called so far.
Possible changes in design	DNADMPME wants to use the programme to support the access of MSMEs to national and foreign markets, as well as fostering the integration of national value chains.
Sources of information	1) FGDs and KIIs with MTCI, BNCTL, and AEMTL; 2) Tatoli news; 3) Decreto-Lei No. 33 /2022 de 19 de Maio; 4) Reunião do Conselho de Ministros de 26 de outubro de 2022, Comunicado de Imprensa; 5) Soft Loan Facility Programme - DNADMPME Leaflet; 6) YEES Infographics; 7) YEES Fact Sheet, March 2023.

¹⁶⁷ The National Director of Support and Development of MSMEs mentioned the figure during a FGD conducted for this study.

Programme of entrepreneurship incentives for the unemployed	
Primary area of intervention	Special access to financial services for young entrepreneurs (capital, insurance and banking) provided by government or private organizations.
Secondary area of intervention	None
Main programme operator and implementing partners	The programme is operated by SEFOPE-DNEI through the Self-Employment Department since 2008. The programme has been re-designed several times through the years, having its current formulation since 2019.
Elements of the design and operations	A National Technical Commission receive and evaluate the entrepreneurship proposals from participants. The Commission conducts field visits and recommends up to 50 per cent of the proposals to the Secretary of State, who has final decisional power on the matter. All municipalities should be represented considering capacity, potential impact, and resources available. Funds are transfer to beneficiaries to purchase the inputs requested to start an income-generating activity. In the past, training centres directly procured and handed over to beneficiaries the equipment and materials requested in the entrepreneurship proposal, but complaints about their low quality led to stop this practice. In the past, the programme included a business training component.
Eligibility and targeted group	The programme does not exclusively target youth, but this group can also benefit from it. Priority is given to proposals coming from economic agents registered at SERVE, whose business plans have been approved by IADE. Applicants and their proposals must be registered at SIMU WEB. Three groups are preferentially targeted: • Collective undertakings with internal regulations established by minimum 3 and maximum 5 people possessing specialized training in the proposed business area and aiming to create employment for them and others. • Groups of graduates from registered/licenced TVET centres. • Groups whose members possess technical knowledge and professional experience within an area of economic activity.
Age range	No age limit, but beneficiaries under the second and third target category are normally under 35 years old. ¹⁶⁸ In 2022-2023 between 62 per cent and 80 per cent of participants were aged 17 to 35 years old.
Source and amount of funding	The 2023 General State Budget allocated US\$599,257 to the programme, out of which US\$403,400 were budgeted for the subsidies for entrepreneurs. Additional funding from the FDCH can be potentially mobilized.
Period of engagement	The call for proposal is advertised in February and the last payments are made before the 15 of November.
Financial support and in-kind benefits	Financial disbursement covers 70 per cent of the business proposals' cost, up to a maximum of 150,000 US. ¹⁷⁰ A minimum amount is not defined. Only under exceptional circumstances the payment is done in one instalment. Normally, an initial instalment of 40 per cent of the total assigned to the awardee is paid initially and the remaining 60 per cent is transferred upon submission of beneficiaries' execution report and a technical evaluation of the implementation.

¹⁶⁸ As reported by the Chief of the Self-Employment Department during a FGD conducted for this study.

¹⁶⁹ Ministry of Finance. Budget Books: Budget Developments. Expenditure Section. Volume 1, page 250. Timor-Leste, 2023. Atividade 9832203: Criar emprego aos desempregados através de incentivos ao empreendedorismo.

¹⁷⁰ The Chief of the Self-Employment Department mentioned during a FGD conducted for this study that the Anti-Corruption commission interprets this ceiling as the maximum value of business proposals, not of subsidies. If that is the case, applying the Regulation N.50/SEFOPE/GSE/1/2022 creating the National Technical Commission and Guidelines to Evaluate Proposal, the maximum subsidy amount would be US\$105,000.

Programme of entrepreneurship incentives for the unemployed	
Programme geographical availability and actual coverage	Urban areas are more likely to benefit since market access is a criterion for awarding. All municipalities register proposals through SEFOPE's branches, but the number of subsidies available for each municipality is previously set and communicated by SEFOPE headquarters.
Rationale	The programme subsidizes the economic activities of community groups, leveraging people's skills and capacities to create jobs for themselves and others, with the view of increasing the number of Timorese skilled workers, employment opportunities inside the country, and people's income.
Number of participants	In 2022, the programme benefited 67 community groups for a total of 296 beneficiaries. In 2023 the programme expects to benefit 65 community group for a total of 325 beneficiaries.
Monitoring of labour market outcomes	DNEI does not monitor the labour market outcomes of programme beneficiaries. ¹⁷¹
Possible changes in design	Programme implementation guidelines are under preparation to establish a maximum subsidy amount. Programme managers would like to reintroduce the business training component. DNEI wants to introduce a follow-up and upskilling training component to extend the life of active groups.
Sources of information	1) FGD with the DNEI; 2) RDTL 2022 Annual Performance Report; 3) Timor-Leste Budget Books 2021-2023; 4) Regulation N.50/SEFOPE/GSE/1/2022 creating the National Technical Commission and Guidelines to Evaluate Proposal.

¹⁷¹ The National Director of Internal Employment mentioned during a FGD conducted for this study that an impact assessment revealed that self-employment groups performance and capacity to maintain income-generating activities diminish throughout time.

Youth Employment and Entrepreneurship Skills (YEES ¹⁷²) Programme	
Primary area of intervention	Entrepreneurship training and business support services provided to young women and men by government or private organizations without the general education system.
Secondary area of intervention	Special access to financial services for young entrepreneurs (capital, insurance, and banking) provided by government or private organizations.
Main programme operator and implementing partners	Since 2022 UNDP operates the YEES programme in partnership with MTCI, IADE, SEFOPE, SEJD, and BNCTL and with KOICA's funding. ¹⁷³
Elements of the design and operations	The programme includes different components: • Entrepreneurship training through pre-incubation, incubation, and post-incubation services. • Access to finance through business innovation challenges organized together with MTCI. • Technical assistance to apply to the soft credit programme.
Eligibility and targeted group	The programme exclusively targets youth, focusing on women, people with disabilities, MSMEs, and recent university graduates.
Age range	15-34, with some flexibility.
Source and amount of funding	Funding comes from the UNDP-YEES programme, which has a total allocation of US\$8,120,947 for the period 2022-2027. US\$1,632,770 comes from the General State Budget through MTCI, US\$5,998,177 from KOICA, and US\$490,000 from UNDP. ¹⁷⁴
Period of engagement	Each programme component has a different period of engagement: • Incubation can last up to 2-3 years. • Business innovation challenges takes around 1 year. • The process to access the soft credit programme is supposed to take no more than 6 months, but there are cases where it has delayed 1 year.
Financial support and in-kind benefits	Different levels of financial supports are provided at each stage of the programme: • Seed Funding is between US\$2,000 and US\$3,000 during the incubation phase. • Business innovation challenge grants range between US\$2,000 and 12,000, approximately. • Soft loans range from US\$1,000 to 1,000,000 depending on the size of the company.
Programme geographical availability and actual coverage	The programme is mainly implemented in Dili, Baucau, Ermera and Liquiça ¹⁷⁵ but business competitions are run in 12 municipalities and RAOA in collaboration with MTCI.
Rationale	The programme looks to untap youth and returnee migrants' potential to become self-employed, providing them with opportunities to gain knowledge, engage in proper training, and accumulate working experiences to meet the demands of today's development.

172 Here only the entrepreneurship component is presented. There is also a wage-employment component that is presented under YIP.

173 <https://www.undp.org/timor-leste/press-releases/koica-government-timor-leste-gotl-and-undp-signed-six-year-youth-employment-and-entrepreneurship-skills-yees-project>

174 YEES Fact Sheet, March 2023.

175 <https://en.tatoli.tl/2023/04/04/undp-and-ia-de-agree-to-implement-the-yees-project-in-the-four-municipalities-in-2023/13/>

Youth Employment and Entrepreneurship Skills (YEES) Programme	
Number of participants	Until March 2023 180 youth entrepreneurs have completed the incubation entrepreneurship training. Currently there 450 people participating in the incubation entrepreneurship training. A total of 146 participants have received seeds grants between the first and the third batches of the business innovation challenge. 102 grants were awarded in the third batch. 83 MSMEs have received technical assistance to apply to the soft credit programme.
Monitoring of labour market outcomes	UNDP monitors former participants' labour market outcomes.
Possible changes in design	1) Start pre-incubation business training with migrants working in Corea in partnership with Bridge International.
Sources of information	1) Tatoli news; 2) https://www.undp.org/timor-leste ; 3) YEES Fact Sheet, March 2023; 4) YEES Infographics; 5) KII with UNDP-YEES staff.

Green Jobs for Rural Youth Employment (GJ4RYE)	
Primary area of intervention	Subsidies to employers for hiring young people.
Secondary area of intervention	1) Entrepreneurship training and business support services provided to young women and men by government or private organizations without the general education system. 2) Special access to financial services for young entrepreneurs (capital, insurance, and banking) provided by government or private organizations
Main programme operator and implementing partners	See above.
Elements of the design and operations	See above.
Eligibility and targeted group	See above.
Age range	See above.
Source and amount of funding	See above.
Period of engagement	See above.
Financial support and in-kind benefits	See above.
Programme geographical availability and actual coverage	See above.
Rationale	See above.
Number of participants	See above.
Monitoring of labour market outcomes	See above.
Possible changes in design	See above.
Sources of information	See above.

► Annex 4. Interventions aimed at facilitating the (re)integration of young women and men from vulnerable backgrounds

UNICEF Becora Juvenile & First Offenders Programme	
Primary area of intervention	Psychological, career counselling, and training services for juveniles and first offenders.
Secondary area of intervention	None
Main programme operator and implementing partners	UNICEF Child Protection section in partnership with the Ministry of Justice -Directorate for Prison Services and Jesuit Social Services since 2022. MSSSI provides a reintegration subsidy upon release of juveniles and first offenders.
Elements of the design and operations	UNICEF provides mental health psychosocial support services to young people in the detention centre of Becora on a regular and weekly basis. UNICEF also provides juveniles and first offenders with vocational training opportunities in the areas of welding, tailoring, and IT. The programme is available only in the Becora detention centre in Dili, since it is the only one in the country hosting young adults.
Eligibility and targeted group	The programme exclusively targets youth. Participants must be young adults in conflict with the law staying at the Becora detention facility. The programme is universal covering women, men, and people with disabilities.
Age range	Participants should be 15 to 20 years old when entering in the detention centre. Once young adults enter the programme, they can stay engaged when they become older than 20 years old as far as they are in the detention centre. Current participants are between 17 and 25 years old.
Source and amount of funding	The programme's budget for 2023 is circa US\$30,000, funded from UNICEF regular resources. The OGE covers the operational costs of running the detention facilities but does not provide funding for psychological, career counselling, and training services.
Period of engagement	Engagement duration varies with participants sentences. Participants can stay in the programme for the time that they are sentenced to be in the detention centre.
Financial support and in-kind benefits	MSSSI covers the cost of transportation to return home and provides a subsidy of US\$350 upon release of juveniles and first offenders.
Programme geographical availability and actual coverage	The programme is only available in Dili, but it has benefited young adults in conflict with the law nationals from Baucau, Liquiça, Dili, Bobonaro, Viqueque, Lautém, Aileu, Same and Manufahi, including from isolated rural areas.
Rationale	Facilitate the reintegration of young adults in conflict with the law ensuring that they are psychologically prepared for reintegration, and they have acquired the hard and soft skills required to develop a trade, have a livelihood, and contribute to society, not re-engaging in criminal activities.
Number of participants	Since 2022 the programme has had 35 participants. Out of the 30 inmates aged 20 years or less that the Becora detention centre currently hosts 26 are engaged in the programme.

UNICEF Becora Juvenile & First Offenders Programme	
Monitoring of labour market outcomes	Monitoring system to follow-up on participants labour market outcomes once they are released from the detention centre needs to be strengthened. UNICEF reported that the 9 programme participants released from the detention centre, all of them in 2023, are still looking for an employment.
Possible changes in design	Implement an open regime for juveniles and first offenders so that they can participate in educational, vocational and employment activities.
Sources of information	1) KII with Timor-Leste UNICEF staff; 2) National Strategy for Social Protection 2021-2030

Casa Vida	
Primary area of intervention	Psychological, career counselling, and training services for young women from extremely vulnerable backgrounds and victims of (sexual) abuse.
Secondary area of intervention	None
Main programme operator and implementing partners	Casa Vida is an NGO established in 2008.
Elements of the design and operations	Casa Vida is a safe place where young women and children victims of abuse can find care for their physical, mental, social, and spiritual needs. The centre provides health and wellness services and 7 life skills training courses. Casa Vida also manages two social businesses, Aroma and Arte Vida, which give employment opportunities to victims of abuse.
Eligibility and targeted group	The programme exclusively targets youth victims of abuse and with vulnerable backgrounds.
Age range	0 to 18 years old, with flexibility. ¹⁷⁶
Source and amount of funding	No information available.
Period of engagement	Engagement duration varies depending on participants needs and personal situation.
Financial support and in-kind benefits	Casa Vida provides shelter to victims of abuse, covering their basic needs, and in some cases remunerated employment opportunities.
Programme geographical availability and actual coverage	The programme is only available in Dili, but participants come from all across the national territory.
Rationale	Restore the mental and physical health of victims of abuse and economically empower them to facilitate their reintegration to their families and communities.
Number of participants	Until 2021 Casa Vida had provided sheltered to 300 young women and children victims of abuse. In 2023 Casa Vida is providing shelter to 40 young women and children.
Monitoring of labour market outcomes	In 2023, 26 participants have been reintegrated to their families. ¹⁷⁷
Possible changes in design	No information available.
Sources of information	1) https://casavida.org/ ; 2) https://www.facebook.com/casavidatimorleste/?locale=pt_BR

¹⁷⁶ <https://en.tatoli.tl/2021/06/23/casa-vida-helps-more-than-300-clients-since-2008/07/>

¹⁷⁷ <https://casavida.org/>



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