



▶ Country policy responses Timor-Leste

▶ COVID-19 and the world of work

▶ Last updated 8 September 2020

Countries are taking unprecedented measures to combat the spread of the disease, while ameliorating its pernicious effect on the economy and labour market.

Stimulating the economy and employment

Government requested parliamentary approval for the Petroleum Fund withdrawal of USD 400 million, for general spending as well as stimulus package for the economy. On 2 April, parliament approved USD 250 million of that request. Specifics are yet to be disclosed and are awaiting approval by Council of Ministers or Parliament.

Supporting enterprises, jobs and incomes

The government has approved the following policies:

- Grant of 200 USD was given to families whose head of household had a monthly income below 500\$, in cash, with respects to first two months of the State of Emergency (April and May).
- In case of employment contract suspension or reduction in working hours, the government provides 60% of remuneration including waiver of social security contribution payment on condition that employer

and employee in question are registered in the Contributory Social Security System.

Currently government priorities are:

- continuity of the distribution and supply of essential goods, such as food, medicines and clinical equipment,
- ensuring continuity of the provision of electronic communications services and their widespread accessibility by citizens,
- temporary exemption from the payment of taxes and electricity and water tariffs, and
- creation of credit lines at reduced interest rates and financial support for citizens and businesses.

Specifics are yet to be decided and communicated.

Protecting workers in the workplace

- National Council of Workers discussed and made proposals for consideration of Council of

Ministers through Secretary of State SEFOPE. The proposals, which were availed to ILO in confidence until when approved, include: tax exemptions, wage subsidies, subsidies for rents for those businesses using rented spaces, and a call to ensure the continuation of imports to the country.

- All parties are relying on Article 15 of the Labour Code which gives employers permission in cases of emergency to suspend activity for a maximum period of two months, during which employees should be paid 50% of their salary. This may become an issue if the state of Emergency is extended beyond 2 months.
- Under State of Emergency; Workers encouraged to Work from Home; Necessary to wear mask together with provision of sanitary facilities at work places.

Relying on social dialogue for solutions

- National Council of Workers convened on March 2020 in response to COVID-19 crisis and came up with proposals to be issued to government through Secretary of State – SEFOPE.

- Tripartite Meeting convened between SEFOPE, KSTL and CCI-TL on 28/03/2020 and facilitated by ILO to discuss on World of Work Policy Guidance to respond to COVID-19.

Other Measures

A new Economic Recovery Plan was approved by the Council of Ministers on the 12th of August. It includes a wide array of measures looking at boosting the economic recovery of the country in the two years following the beginning of the COVID-19 Pandemic. The plan includes a Food Basket/Voucher programme, subsidies to firms, extraordinary support measures to informal workers, and a full section dedicated to Social Protection, with the approval of the National Social Protection Strategy at the forefront. The implementation of the plan is yet to start.

Summary of actions by the ILO in this country

- ILO through ACTION II Programme continues to provide support to the Ministry for Social Solidarity and Inclusion (MSSI) on Social Protection Interventions during the COVID-19 Crisis including.
 - o Social Protection Guidance Measures to Mitigate to COVID-19 Crisis
 - o Advisory Note on intended Universal Benefit Scheme
 - o Support on the design of implementation processes for the Cash Transfer Programme.
 - o Coordinating all UN agencies support to the Cash- Transfer programme.
 - o Lead the financial reconciliation process for the Cash-Transfer programme (at request of the government)
 - o Draft the final report of the CT programme (at request of MSSI).
- The ILO is also exploring potential additional funding sources to support the undergoing activities, including global calls.
- The ILO lead a successful joint proposal with UN Women to the UN Multi Partner Trust fund, of close to \$1M to support the Cash-Transfer Programme to vulnerable families implemented by MSSI, from



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which the ILO received and executed around 70% of the grant.

- The ILO has made available a funding of \$550,000 (RBSA) to support the Government of Timor-Leste in its COVID-19 economic recovery efforts. The ILO support will directly generate employment opportunities for vulnerable groups of people in rural communities. It is implemented through existing ILO ERA Agro-Forestry (EU funded) and R4D-SP (DFAT funded) projects, leveraging on the capacity of these projects for the sake of swift implementation of the support programme. The 15-month programme which commenced in August 2020 and covers 12 municipalities, will provide decent employment and income support to 1,850 direct beneficiaries - including 50% women, 2% of persons living with disabilities, while improving 275 km of core rural roads.

Source: <https://www.ilo.org/global/topics/coronavirus/regional-country/country-responses/lang--en/index.htm#TL>

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