



REPÚBLICA DEMOCRÁTICA DE TIMOR-LESTE

STATE SECRETARY

FOR THE SUPPORT AND PROMOTION OF THE PRIVATE SECTOR

**NATIONAL STRATEGY AND ACTION PLAN
FOR GENDER AND PRIVATE SECTOR
2014-2017**



**NATIONAL STRATEGY AND ACTION PLAN
FOR GENDER AND PRIVATE SECTOR
2014-2017**

**STATE SECRETARY
FOR THE SUPPORT AND PROMOTION OF THE PRIVATE SECTOR**

Foreword Message

A strong private sector is key to economic growth and sustainable development, as underlined in the Timor Leste Strategic Development Plan 2011-2030. Promoting gender equality in private sector, and in particular, empower women economically, is one of the most powerful drivers of poverty reduction. It is also critical to achieving development outcomes, including the United Nations Millennium Development Goals (MDGs).

The Government of Timor Leste has thus made a strong political commitment to gender equality and equity and it is determined to see this reflected in government policies and interventions at all levels. Therefore, Timor Leste is signatory to various international conventions, including the Convention for the Elimination of all Forms of Discrimination against Women (CEDAW) and the Beijing Declaration and Platform for Action and other instruments for promoting gender equality. This commitment was also translated into action by adopting a national Labour Law which integrate international labour standards' clauses on equal remuneration for men and women for equal work and work of equal value and non-discrimination in employment and occupation.

Private sector plays a key role for the economic empowerment of women. A woman is economically empowered when she has both the ability to succeed and advance economically and the power to make and act on economic decisions. To succeed and advance economically, women need the skills and resources to compete in markets, as well as fair and equal access to economic institutions. Eventually, to have the power and agency to benefit from economic activities, women need to have the ability to make and act on decisions and control resources and profits.

Significant links between improving women's economic empowerment and overall economic growth are well-recognized in the international development practice and research communities. Economic empowerment means ensuring women have the opportunity to participate in, contribute to and benefit from growth, as well as negotiate respectful treatment. Higher female income and bargaining power also tend to catalyze improved outcomes in children's education, health and nutrition, which lead to poverty reduction in the long term. The UN has noted a growing recognition among governments globally, as well as in the private sector, that investing in women and girls has a powerful multiplier effect on productivity, efficiency and economic growth. It has further estimated that low female participation in labour markets in Asia, for example, costs the region up to US\$47 billion each year.

This National Strategy for Gender and Private Sector, to be implemented during the period from 2014 to 2017, aims therefore to contribute towards economic inclusion, that is, the process of overcoming barriers to men and women participating in or contributing fully to the economic system. These barriers can include a lack of awareness and understanding, accessibility to products and services, and confidence in the system at large. The Strategy is the result of the continuous and successful collaboration between the State Secretary for the Support and Promotion of Private Sector (SEAPRI), the Secretary of State for the Promotion of Equality (SEPI), the International Labour Organization (ILO) and other key stakeholders for private sector development in Timor Leste.

In Timor Leste, women are still under-represented in the labour market, particularly in formal employment, and are concentrated in vulnerable forms of employment with low pay, poor working conditions and lack of protection. Therefore, recognizing the need to reduce and eventually eliminate the current disparities which exist between women and men in the labour market and when trying to start and grow a business, this strategy proposes concrete interventions in five strategic areas which are critical for private sector, gender equality and women's economic empowerment outcomes.

Through a series of interventions to remove barriers to women's and men's participation in formal sector employment and providing a combination of services to help entrepreneurs, especially women, grow their businesses, it is expected that this strategy will empower and bring positive changes in the working and social lives of both Timorese women and men.

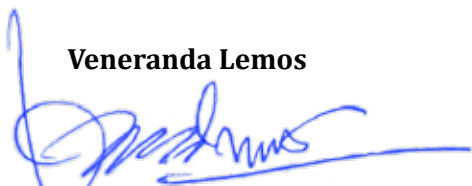
Increasing women's control over decisions that affect their lives, whether political, social or financial, from village to national level, is both an issue of fundamental rights and essential for the long-term alleviation of poverty. Therefore, economic empowerment through business can also help women to achieve greater equality.

Sustainable economic development in Timor Leste can only be achieved through women and men full participation in the economy and society. Therefore, let us from now on to 2017 join our efforts to ensure that the Plan is translated into concrete, focused and sustained action. SEAPRI and SEPI remains committed to working together with all key stakeholders in Timor-Leste to overcome obstacles in the struggle for women empowerment and gender equality at all levels.

To succeed in doing so we call upon all government ministries and institutions, the private sector, civil society and development partners to recognize their own role within our Action Plan and coordinate with us to achieve gender equality in the private sector and economic development of Timor Leste.


Dili, December 2013

Veneranda Lemos



***Secretary of State for the Support
and Promotion of the Private Sector***

Idelta Maria Rodrigues



***Secretary of State for the
Promotion of Equality***

Acknowledgements

The *State Secretariat for the Support and Promotion of the Private Sector* (SEAPRI) would like to express its appreciation to the *Secretariat of State for the Promotion of Equality* (SEPI), in particular to the National Director of Policy and Gender Development, Mr. Armando da Costa, and to Mr. Yann Franc De Ferriere, International Advisor, for the continuous cooperation and technical assistance provided for the development of the *National Strategy and Action Plan for Gender and Private Sector 2014-2017*.

Within SEAPRI, special thanks go to Mr. Tony Duarte, Chief of Staff and Senior Cabinet Advisor, Mr. Eusebio Guterres, Senior Legal Adviser, Mr. Hernani Viterbo Soares, IADE Executive Director, Ms Maria Carceres, IADE Head of Department for Monitoring and Evaluation, for the support and technical expertise and for the commitment showed during the whole process of formulation and finalization of the document.

SEAPRI wishes furthermore to thank all those who have supported and contributed to the development of the different stages of the National Strategy and Action Plan for Gender and Private Sector 2014-2017: Ms Carol Stewart, Private Sector Development Initiative-Asian Development Bank (ADB), for the technical inputs provided during the draft and finalization of this Strategy, Mr. Jose Ricardo Silva, Operations Officer - BRL Reforms at the International Finance Corporation (IFC), Ms Lola Dos Reis, Managing Director of Moris Rasik, Mr. Bobin Warren, Head of Business at ANZ Bank, the whole team of Tuba Rai Metin and the United Nations Entity for Gender Equality and the Empowerment of Women (UN Women).

We are also grateful to all representatives of Government Institutions (Ministry of Justice, Ministry of Finance, Ministry of State Administration, Ministry of Tourism, Ministry of Public Work) private sector, in particular AEMTL, commercial banks (BNCTL, BNU, Mandiri), Micro Finance Institutions (Moris Rasik), international organizations (UNDP-INFUSE, World Bank, ADB) and civil society (Alola Foundation, Empreza Diak) for the active participation and meaningful contribution provided during the Validation Workshop of the National Strategy and Action Plan for Gender and Private Sector 2014-2017, which took place on 10th of October 2013 (for the detailed list of participants please refer to Annex II).

SEAPRI would finally like to express its gratitude to the International Labour Organization (ILO) for providing technical and financial resources that enabled the development of the *National Strategy and Action Plan for Gender and private Sector 2014-2017*.

We are grateful to all ILO Specialists who reviewed the first draft of the document. Within the Business Opportunities and Support Service Project (BOSS) in Timor Leste, we would like to thank Mr. Roberto Pes, Chief Technical Advisor, Ms Annabella Skof, Enterprise Development Expert, Ms Rolly Damayanti, Business Training Expert, Ms Jenny Ikelberg, Value Chain Expert, and Mr. Carlo Henrique de Oliveira, Management Information System Officer. A special thank goes furthermore to Ms Nelien Haspels, Senior Specialist on Gender and Women's Workers Issues in the ILO Regional Office for Asia and the Pacific in Bangkok, Thailand.

In particular, we would like to thank Ms Silvia Cormaci, ILO Gender Mainstreaming Expert, who assisted SEAPRI in the whole process of developing and preparing this strategy, including consultations with key stakeholders, drafting and finalization of the strategy and action plan, and technical support for the organization of the validation workshop.

A final appreciation goes to Irish Aid and New Zealand Aid for their financial support.

List of Acronyms

AEI	Agencia Especializada Investimentos - <i>Specialized Investment Agency</i>
AEMTL	Associação Empresarial das Mulheres de Timor-Leste- <i>Women Business Association</i>
ADB	Asian Development Bank
APEC	Asia Pacific Economic Cooperation
BNCTL	Banco National Commercial Timor Leste - <i>National Commercial Bank of Timor-Leste</i>
CCITL	Câmara do Comércio e Indústria de Timor-Leste - <i>Chamber of Commerce and Industry of Timor-Leste</i>
CDE	Centro Desenvolvementu Empresarial - <i>Business Development Center</i>
CEDAW	Convention on the Elimination of all forms of Discrimination Against Women
IADE	Instituto de Apoio ao Desenvolvimento Empresarial - <i>Institute for Business Support</i>
ICT	Information and communication technology
IFC	International Finance Corporation
ILO	International Labour Organization
MDG	Millennium Development Goals
MAF	Ministry of Agriculture and Fisheries
MFI	Micro Finance Institutions
MOJ	Ministry of Justice
MPW	Ministry of Public Works
MSA	Ministry of State Administration
MSMEs	Micro, Small and Medium Enterprises
MCIA	Ministry of Commerce, Industry and Environment
MOT	Ministry of Tourism
NDP	National Development Plan
ODTI	Other Deposit Taking Institutions
OECD	Organisation for Economic Co-operation and Development
OPE	Office for Promotion of Equality
PSD	Private Sector Development

RDTL	Democratic Republic of Timor-Leste
SEAPRI	State Secretary for Support and Promotion of the Private Sector
SEPFOPE	Secretariat of State for Vocational Training and Employment Policies
SEPI	Secretariat of State for the Promotion of Equality
SERVE	Service for Registration and Verification of Entrepreneurs
SIMU	Sistema Infomasaun Merkadu Trabalho - <i>Labour Market Information System</i>
TIN	Tax Identification Number
TRM	Tuba Rai Metin
UNDP	United Nations Development Program
UNESCAP	United Nations Economic and Social Commission for Asia and the Pacific
WB	World Bank

Table of Content

Executive summary	8
1. Overview: Gender Equality and Private Sector Development in Timor Leste	9
1.1 Introduction.....	9
1.2 Overview of the economy.....	11
1.3 Micro, Small and Medium Enterprises (MSMEs).....	11
1.4 Labour Market and Employment Trends.....	12
2. Gender Equality and Private Sector Development: Issues and Constraints	15
2.1 Business Enabling Environment.....	16
2.2 Occupational segregation and imbalances in the labour market.....	17
2.3 Disparities in asset ownership.....	18
2.4 Access to Credit and Financial Services.....	19
2.5 Access to Information, Business Skills Training and Business Development Services.....	22
2.6 Access to markets.....	23
2.7 Networking Opportunities.....	25
3. Government Institutions responsible for Gender and Private Sector: the State Secretary for Support and Promotion of the Private Sector and the Secretary of State for the Promotion of Equality	27
3.1 The State Secretary for Support and Promotion of the Private Sector of Timor-Leste.....	27
3.2 The Secretary of State for the Promotion of Equality	28
4. A National Strategy to promote Gender Equality in Private Sector Development	29
4.1 Strategic Objectives, outputs and activities.....	30
5. Gender and Private Sector Action Plan 2014-2017	35
6. Performance Monitoring and Evaluation	48
ANNEX I : Key stakeholders for gender and Private Sector Development	50
1.1 Government Institutions.....	50
1.2 Private Sector	54
Annex II: Joint Declaration and List of Participants of the Validation Workshop for the National Strategy and Action Plan on Gender and Private Sector 2014-2017	55

EXECUTIVE SUMMARY

The Government of Timor Leste considers private sector development key for economic growth and sustainable economic development. Gender mainstreaming in private sector is thus crucial to ensure that gender differences are taken into account and that businesswomen and men in Timor Leste are able to expand opportunities to participate in, benefit from, and contribute to economic development. Women's and men full participation in the economy will lead to improved welfare of families, communities and society as a whole.

At the same time, this strategy reaffirms the importance of women entrepreneurs as engines of growth for the economy in generating employment, driving production and innovation, and contributing to local development and it aims therefore to design specific interventions to help women in Small and Medium Enterprise (SMEs), including start-ups and microenterprises, to address commonly cited challenges faced to start and grown their businesses.

In relation hereto, the assessment conducted through wide consultations with key stakeholders and available secondary information and data, and the related problem analysis, identifies 5 areas where interventions are needed and where the Strategy and its action plan are focused and will be executed. These include: 1. Institutional framework and business enabling environment, including lack of dialogue and coordination between the public and the private sectors; 2. Access to credit and financial services, in particular for micro and small entrepreneurs; 3. Access to Business Development Services (BDS) and information; 4. Market's access for products and services; 5: Access to formal network for women entrepreneurs.

This strategy has been therefore designed with the final objective to contribute to the generation of pro-poor inclusive economic development and quality employment for women and men by spurring growth of businesses of all sizes through engendered private sector policies and programmes.

Primary goal's of the National Strategy and Action Plan for Gender and Private Sector is to ensure that the needs of women entrepreneurs are better catered for alongside men's, at districts and at national level. It further aims to guarantee a gender sensitive approach in private sector development through an enhanced collaboration of key stakeholders in Timor Leste. It is hoped that the development of a gender and private sector strategy and the implementation of its action plan will empower and bring positive changes in the working and social lives of Timorese women and men.

The leading institution which will coordinate the implementation of the Strategy and Action Plan is the *State Secretary for Support and Promotion of the Private Sector* (SEAPRI), in cooperation with the *Secretary of State for the Promotion of Equality* (SEPI), according with their respective mandates to support private sector and gender equality. Collaboration with other relevant government institutions, civil society, financial institutions and with the private sector is imperative to ensure that all areas are covered through a participatory process which sees the involvement of all key stakeholders for the development of an inclusive and sustainable private sector.



1. OVERVIEW: GENDER EQUALITY AND PRIVATE SECTOR DEVELOPMENT IN TIMOR LESTE

1.1 Introduction

Private sector development is a key engine of economic growth and crucial to reducing poverty, as underlined in Timor Leste Strategic Development Plan: ‘The future sustainability of the economy of our nation depends upon building a mature private sector’¹.

While the Government of Timor-Leste is committed to develop a market-led economy with the private sector as the primary engine of growth, the nascent Timorese private sector has so far been unable to spur sufficient economic development for the rapidly increased population. Despite Government efforts driven by petroleum revenue (representing more than 95% of the total State income) and the recent considerable injection of resources into the real economy, in practice, ill-equipped Timorese Micro, Small and Medium Enterprises (MSMEs) continue to face a number of constraints that limit the sector’s overall growth. This is particularly evident in rural areas where poverty incidence is high and rural-to-urban migration poses a major challenge and poorer people remain excluded from the mainstream economy. An estimated one third of the population remains outside of the cash economy (formal and informal) and market access remains very limited in most rural areas of the country.

¹ Timor Leste Strategic Development Plan 2011-2030, pag. 151

Improving the investment climate and market access provides new employment and income opportunities to both men and women. However, Private Sector Development (PSD) effectiveness requires an understanding of the different constraints often faced by women and men in this domain. In particular, promoting women's participation in the labour force as women entrepreneurs and increasing women's income offer great potential for private sector development.

The Asia Pacific Economic Cooperation (APEC) further reaffirmed the importance of women Small and Medium Enterprises (SMEs), including start-ups and microenterprises and, in a number of economies, the informal sector, which have emerged as engines of growth for most of the Asia-Pacific economies, contributing to Asia-Pacific's resilience. Among SMEs, women entrepreneurs have made tremendous economic strides in generating employment, driving production and innovation, and contributing to local development.²

The experience of high-income countries has also demonstrated the social and economic significant advantages that arise from getting more women involved in the workforce. The United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) examined the costs of inequality and discrimination against women and estimated that Asia-Pacific economies are losing almost US\$80 billion a year due to restrictions for women in access to employment and education alone. This does not include the social and personal costs of women being outside the workforce (ESCAP, 2008).

Women make up 49% of Timor Leste's population. In the last decade in particular, the number of female-owned and managed businesses has increased. However, the entrepreneurial gap between women and men is still wide. Female entrepreneurship is an important, untapped source of economic growth.

Productive and viable economic activities carried out by women will strengthen not only their social position by making their contributions more visible and highly valued, but help to improve the welfare of their families and communities. Sustainable development in Timor Leste can only be achieved through women's and men full participation in the economy and society.

Box 1 : What is Gender Mainstreaming?

Gender mainstreaming, whose main goal is the promotion of equality and opportunities for all, is for and benefits both women and men with a view to effectively address the needs of all. This means that if there are unequal starting positions between men and women (due for example to bias against women and less investment in their education) special targeted measures are needed to **put everybody on an equal footing** and to enable a particularly discriminated group - in this case women - to catch up with men.



² *2013 APEC Ministerial Meeting on Small and Medium Enterprise (SME) and Women*, Nusa Dua, Bali, Indonesia, 7 September 2013, 1st Joint Ministerial Statement, http://www.apec.org/Meeting-Papers/Ministerial-Statements/Small-and-Medium-Enterprise/2013_sme_women.aspx

1.2 Overview of the economy

In Timor-Leste oil is the main economic resource contributing 67 percent of the country's Gross National Income (GNI) in 2010. The other industries that contributed most to the non-oil gross domestic product (GDP) in 2010 are:

- trade, transport, accommodation and food (24 percent)
- agriculture (21 percent)
- public administration (20 percent)
- real estate activities (12 percent)³

The private sector employs almost 47,000 people across the country with nearly one third (30 percent) of those being women. Women's share of private sector jobs is higher in Dili (32 percent) than in the other districts (21 percent). This is likely to be due to most opportunities being in Dili, which is the centre for business, employing 82 percent of workers in the private sector and generating over 90 percent of the income⁴.

The most profitable industry in the private sector is *retail and wholesale trade*, contributing more than \$108 million in added value to the economy in 2010. Women hold 38 percent of *retail and wholesale trade* jobs and this industry employs 4,600 (33 percent) of the 13,900 women who work in the private sector. *Construction* is the next most profitable industry, where women hold 13 percent of jobs. The highest concentration of women in the private sector is in the *accommodation, food and services* industry, in which more than two thirds (68 percent) of employees are women⁵.

1.3 Micro, Small and Medium Enterprises (MSMEs)

In Timor Leste there is no clearly defined classification of **Micro, Small and Medium Enterprises (MSMEs)**⁶. The concept of women's business, in particular, is really vague: 'women's business' is usually considered an enterprise managed by a woman. This does not necessarily mean, however, that the woman owns the business. In many cases women do the work but lack control over the income generated from the business and do not have decision-making power about the use of resulting income.

Figures on business registration and business licensing are not merged yet in a unified national database. The majority of establishments in the country have business licenses issued by the Ministry of Commerce, Industry and Environment (MCIA) while very few enterprises are registered with the Ministry of Justice. In addition, the number of unlicensed establishment seems to be quite high.

³ National Statistics Directorate (NSD), M. o.-L. (2011). *Population and Housing Census of Timor-Leste, 2010, Volume 3: Social and Economic Characteristics*. Dili: National Statistics Directorate .

⁴ Business Activity Survey, Timor Leste National Statistic Directorate (NSD), 2010.

⁵ Ibid

⁶ According to the World Bank Group's definition for micro, small, and medium enterprises, two out of the three characteristics must be met. **Micro:** Employees < 10; Total Assets < USD K 100; Total Annual Sales < USD K 100; **Small:** Employees < 50; Total Assets < 300; Total Annual Sales < USD M 3; **Medium:** Employees < 300; Total Assets < USD M 15; Total Annual Sales < USD M 15. These criteria seems however quite unrealistic for the Timorese context. The Institute for Business Support of Timor Leste (IADE), uses the number of employees as basis to classify enterprises: micro (1 employee), small (2-10 employees), medium (11-50 employees), large (over 50 employees).

The main problem is that Timorese MSMEs generally operate at a low or even very low level of profitability and that few of them grow and expand their operations, creating sustainable employment and wealth. And this is particularly true for micro and small enterprises run by women. Women tend to develop commercial opportunities around traditional skills of cooking, sewing and craft production. Their activities are concentrated in few low-paid sectors such as handicraft production (e.g. Tais), 'kiosk', agriculture and tourism. Few women are also involved in the construction sectors⁷, as previously indicated.

When engaging in entrepreneurial activities, women seem to face greater challenges in developing their enterprises, scaling up, and creating jobs for others. Some of the major obstacles women face to expand and diversify their businesses are their limited range of skills, the difficulties they experience in accessing production materials, equipment, credit, and training; the lack of property and land ownership and inheritance rights in some areas, and limited opportunities to establish formal networks. Cultural stereotypes, limited participation in decision-making bodies, competing demands on time due to household and community responsibilities, limited mobility and weak infrastructure all contribute to constrain women's opportunities to participate productively in the economy and in the private sector.

What makes life even harder for potential and existing Timorese business women is that men generally expect them to look after home and family more or less single-handed, whether or not they have a job. These are deep-rooted, hard-to-shift attitudes which hamper women's entrepreneurship and therefore private sector development. Men's willingness to support women's economic aspirations is therefore essential. Promoting gender equality in Private Sector Development (PSD), thus enabling more women to pursue enterprise growth through a more favourable support environment generates employment, empowers women and brings social and economic benefits not only to Timorese women but to the whole Timorese society.

1.4 Labour Market and Employment Trends

The participation of women and men in the labour market is a reflection of both economic opportunities and gender roles. In Timor Leste, there are significant disparities in women's participation in employment, their access to wage earning positions and the nature of work they do compared to men, as further analysis of available data will demonstrate. The gender gap in work force participation has seen no change in recent years. Persistent inequalities in the share of paid work and other productive activities emphasizes the need to ensure women are empowered to be economically active.

The labour force is comprised of employed and unemployed people. Although in Timor Leste women continue to have a higher unemployment rate⁸ than men - 4.6 percent for women and 3.1 percent for men⁹ - these figures are quite low and reflect a common feature in low income countries in the Region. Indeed, owing to their vulnerability poor have to be economically active even when the returns they get are low. This "artificially" increases the employment rates. **A more meaningful indicator of gender inequalities in the labour market is instead the proportion of women and men who participate in the labour force and their concentration in vulnerable forms of employment.**

Analysis of labour market and employment trend in Timor Leste shows some keys findings in terms of gender inequalities:

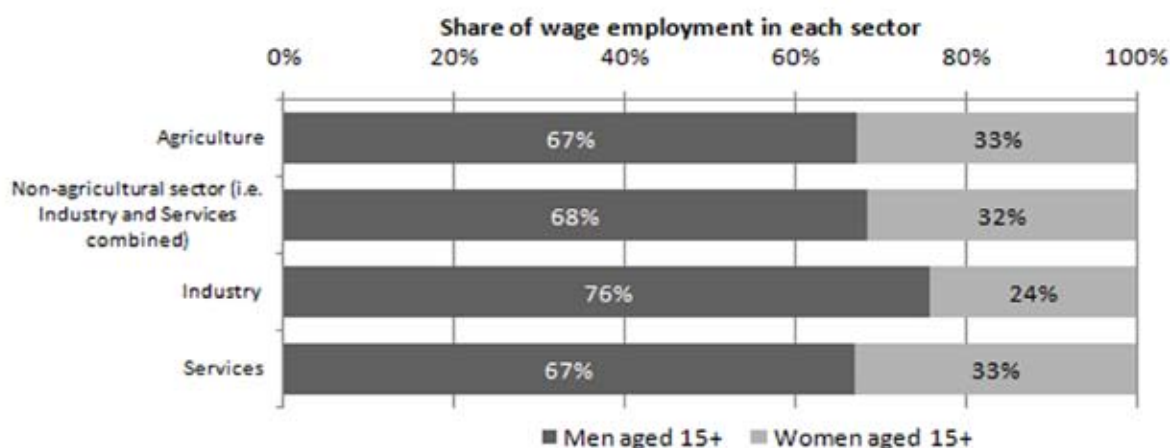
⁷ *Timor Leste Labour Force Survey 2010*, National Statistics Directorate (NSD), Ministry of Finance and Secretariat of State for Vocational Training and Employment (SEFOPE), 2011.

⁸ The unemployment rate is the proportion of labour force that is unemployed (ILO).

⁹ *Timor-Leste Labor Force Survey 2010*, NSD, 2011

- **Far fewer women are employed than men.** Although is a matter of concern to note that the majority of the population is not participating in the labour force – 57 per cent of people aged 15 and over are economically inactive-, gender gaps in the work force participation are significant: One in two men (56 per cent) is in the work force, compared to one in four women (27 per cent)¹⁰. While between 2001 and 2007 there has been a considerable narrowing of the gender gap in the participation of the work force in the labour market, no progress has been made in recent years¹¹. As at 2010, there remains about a 30 percent difference in the participation rate of women compared to men.
- **Most women are not participating in the work force due to household responsibilities.** Nearly three quarters (73 percent) of Timorese women of working age are economically inactive, compares with less than half (44 percent) of men¹². According to the population census, two out of every three inactive women are occupied with household responsibilities. By comparison, only 9 percent of men indicated being a homemaker as their reason for not working. Most men of working age who are inactive are studying (84 percent). Being a student was the reason for one third (33 percent) of inactive women¹³. In addition, the high fertility rate in Timor-Leste places a significant burden on women, increasing their economic dependence on men.
- **Women share of wage employment is low.** The proportion of people employed in wage paying jobs (in cash or in kind) has tripled over the last decade from around 10 percent to 30 percent¹⁴, but this has benefited men more than women – 31 percent of employed men are in wage earning jobs, compared to 19 percent of working women. In 2001, only 13 percent of men and 9 percent of women were earning a wage. Women’s share of wage employment has not increased much in the last decade. As the figure below shows, the majority of wage paying jobs are occupied by men, particularly so in the industrial sector and in agriculture¹⁵.

Figure 1. Share of wage employment, by sector and sex Timor-Leste 2010



Source: National Statistics Directorate, 2010 Population and Housing Census

¹⁰ Ibid.

¹¹ Based on data from the 2001 *Living Standards Survey* and the 2010 *Labour Force Survey*.

¹² Ibid.

¹³ *Population and Housing Census of Timor-Leste, 2010, Volume 3: Social and Economic Characteristics*. Dili: National Statistics Directorate, 2011 .

¹⁴ Based on data on number of employees from the 2001 *Living Standards Survey* and the 2010 *Labour Force Survey*, NSD.

¹⁵ Compared to other countries, Timorese women are below the global average of 40 percent share in non-agriculture wage employment, and the South-East Asian average of 38 percent. In developed economies, women’s average share is 48 percent, close to equal shares between men and women (2010 data from UNESCAP, 2012).

- **More women are likely to be in vulnerable employment.** Some types of employment are less secure than others, due to variance in conditions of employment and predictability of income. According to the International Labour Organization (ILO), vulnerable forms of employment are defined as relatively precarious working circumstances where the worker is unlikely to have formal working arrangements, access to benefits or social protection programs and is more likely to be at risk of the effects of economic cycles. Own account workers and contributing family workers are considered the most vulnerable employed persons. In Timor-Leste, the majority of employed people are in vulnerable employment (70 percent)- across all sectors-, with the rates being highest amongst women (78 percent)¹⁶ than men (66 percent), particularly in the two key sectors of agriculture and wholesale/retail trade¹⁷.
- **Rural women are most at risk.** 87 percent of rural women are working in vulnerable jobs, compared to 78 percent of rural men. The lowest rate of vulnerable employment is seen amongst men employed in urban areas (37 percent)¹⁸.

¹⁶ This is well above the global average. In 2009 there were an estimated 1.53 billion people working in vulnerable employment, corresponding to a global vulnerable employment rate of around 50 percent (ILO, 2011).

¹⁷ *Timor Leste Labour Force Survey 2010*, NDS, 2011

¹⁸ *Ibid.*



2. GENDER EQUALITY AND PSD: ISSUES AND CONSTRAINTS

Women's and men's businesses have some differentiating features that affect the way they conduct business and their outcomes. Understanding these gender differences and identifying market or government challenges will help promote women and men entrepreneurs in Timor Leste, which in turn will contribute to both increased economic competitiveness and social inclusion.

To promote gender equality in the private sector and to help better leverage the untapped potential of women and men in emerging markets, key questions to consider include:

- How do women's and men's access to assets differ? Are there gender differences in ownership of bank accounts, access to credit and land, and in property laws?
- Are there differences in terms of scale, sectors of operations and income between men's and women's businesses/enterprises? Are there gender differences in the proportion of individuals employed in the informal sector?
- Are sex-disaggregated statistics on Private Sector available at the national level?

The following sections will provide an overview of seven focus areas which are key for Private Sector Development and where disparities between men and women still persist and represent a major challenge to overcome. Gender consideration should therefore be included in these seven focus areas:

1. Business enabling environment
2. Occupational segregation and imbalances in the labour market
3. Disparities in asset ownership
4. Access to credit and financial services
5. Access to information and training
6. Access to markets
7. Networking opportunities

2.1 Business Enabling Environment

Effective private sector development needs a business environment which is conducive to entrepreneurship and to formal creation and growth of MSMEs. In Timor Leste, as in many other countries, the cost of doing business tends to be higher for small firms- where more women's business are concentrated- that operate with more limited economies of scale.

Formalization of a business is the first step toward accessing finance and other types of support that can help a small business grow to scale. Gender-based barriers in the business and regulatory environment can make it more difficult for women-owned businesses to register their businesses and obtain necessary licenses and permits to reach their full potential.

The reasons for women's greater difficulty vary. For example cultural limitations on women's ability to travel can prevent them from filing registration documents. Domestic responsibilities can limit their time to appear repeatedly in person during the registration process¹⁹.

Applying a gender lens to business regulation reform and simplification, and including women in the dialogue, will help ensure that both women and men entrepreneurs can benefit from any change. For government's institutions, supporting the creation and growth of enterprise means getting policies and regulations right. Both women and men business owners must be able to flourish in order to create jobs.

Sometimes efforts to encourage women and men entrepreneurs to formalize their businesses are hampered by the long and costly bureaucratic procedures that they have to go through to register their business. Indeed, **business registration** is the first step for people to start-up their business. Registered and legalized companies can gain access to credit from banks, helping them to grow. Owners and employees have their rights protected when a company is registered and legalized.

In order to simplify business registration, the Government of Timor Leste on 3rd of June, 2013²⁰ established the Service for Registration and Verification of Entrepreneurs (SERVE) One-Stop-Shop, under the coordinated administration of the Ministry of Justice, the Ministry of Commerce, Industry and Environment, the Ministry of Finance and the State Secretary for Support and Promotion of the Private Sector (SEAPRI). This creates one office where business owners can obtain their business registration, apply for a commercial license, and get their Tax Identification Number (TIN). Previous the introduction of SERVE the Ministry of Justice was responsible for business registration, the Ministry of Commerce, Industry and Environment for business licensing, and the Ministry of Finance was the competent authority for obtaining the Tax Identification Number (TIN).

Through the SERVE Shop, it is expected the business start-up process will be done much quicker. This is a major development for business operators, who previously had to visit three different government ministries on average 17 times during the 103 days it takes to finalize their registration documentation²¹. With the opening of SERVE One-Stop-Shop, it is envisaged it will take only five days and 2 visits for a new business to complete the start-up process, although actual experience suggests that two weeks are required as average time to complete the registration. It will be faster and easier for entrepreneurs to start a business and to run and grow their operations.

¹⁹ In order to facilitate business registration for women and men many countries implement an online business registration process. Online registration offers a number of advantages: enabling remote registration, 24 hours registration, and minimizing opportunities for gender bias or bribery. District business development centers (e.g. IADE CDEs) could also provide a computer with internet access to assist access at the district level.

²⁰ SERVE was officially inaugurated on 3th June 2013 and is open for business since 4th June 2013

²¹ According to the World Bank 2012 *Ease of Doing Business Index*, Timor Leste ranks 169 out of 185 countries. <http://www.doingbusiness.org/rankings>

However, even where laws and regulations support women, a lack of business skills training and limited access to business networks and information may mean women are less aware of the formalization process. Gender bias in dealing with officials can also take its toll. In order for SERVE to be effective, it is therefore critical to disseminate information regarding the establishment of this new office and to assist women and men entrepreneurs with the procedures to register, explaining how this mechanism works, etc. This will help potential and existing women- and men-entrepreneurs to register and formalize their businesses.

2.2 Occupational segregation and imbalances in the labour market

Culturally determined gender roles restrict men and women from entering specific work areas. Such restrictions necessarily limit the number of enterprises women in particular can take part in, in countries where traditional values support and maintain deeply embedded gender inequalities.

Timor Leste is one such country: the division of labour follows the common patriarchal rule where women nurture and men make decisions. Women are therefore primarily responsible for the household chores, the care of children, the sick and the elderly, small animal husbandry, non-cash-crop food production, selling surplus fruits and vegetables, collecting firewood, fetching water, weaving mats and baskets, and home woven cloth. To supplement the household income, many women also take part in the harvesting of cash crops such as coffee and rice. As a consequence, in Timor Leste the majority of women who enter into business do so out of necessity.

Within this context, the majority of women's work (and therefore skills and experience) falls into three categories:

- 1) Those that support household tasks i.e. washing, cleaning, food processing, sewing and weaving, child-care and nursing the sick
- 2) Those that supply the household with products derived from horticulture and agriculture, small livestock and fishing
- 3) Those that supplement the household; producing and selling handicrafts, selling cooked foods, selling surplus fruits, vegetables

As previously noted in the introductory section, data on employment confirm occupational segregation and sector concentration: women play a significant role in agriculture, education, health and social services, and women's share of wage employment is lower than men, as earlier indicated. Field work and focus group discussions held as part of the strategy preparation indicates that most women's business are in agribusiness and food production, retail trade, restaurants and services. Women's businesses in the above mentioned sector usually remains informal and provide low income. Women's potential remains therefore under-utilized in Timor Leste as in many other countries where women represent the majority of the informal sector due to the various legal, regulatory and socio-cultural obstacles that prevent them from formalizing their businesses.

Women's businesses are generally smaller in terms of size, turnover, and number of employees. The majority of women enterprises are sole business owners, although family business prevail in the agriculture sector. Women tend to participate in ownership structures but do not have significant control over business assets and are not actively involved in management, with the exception of agriculture business and some women contractors.

Research shows that difference in economic sectors of operation and size of firm contributes significantly to average productivity differences between female and male businesses. And in Timor Leste there are indeed a number of reasons why women's work can and should be transformed into sustainable women's businesses. First, widespread national poverty dictates that women

need to earn an income for themselves, their households and their children. Secondly, with few employment opportunities available outside Dili -and even fewer for women, self-employment and small business development is at present one of the few roads leading to an economic future. Thirdly, women already possess many skills and abilities that can be adapted for enterprise development.

The key issue in turning ‘women’s work’ into ‘women’s businesses’ is how to diversify from the basic products and services that saturate the market. How to, by using the same basic skills and/or training in new skills, produce consumer goods, foods and services that are different, add choice and fill a gap in the consumer market. To do so will require either specialization or diversification²².

Exploring possibilities for specialization and diversification will allow women to make choices within their own abilities, experience and talents and to contribute to private sector development and economic growth. Finally, expanding opportunities for the many women not employed in the formal sector will take on even greater importance, as will removing the legal, social, financial and educational barriers hindering women’s productivity.

2.3 Disparities in asset ownership

As in many other countries, also in Timor Leste there are gender disparities in asset ownership. Women have less access to resources than men, including land and movable assets. Traditionally, access to resources, rights of inheritance and ownership favors men and boys over women and girls. Although the Constitution recognizes that man and women should have equal rights, it also states that the legal system should adopt customary law. Customary law gives preference to men over women in many issues and as the majority of the population live in rural areas, it is customary law that applies to them. In effect, gender discrimination is evident in resource allocation whereby women do not have the same claim as men and in decision-making, where women are often excluded. Long term and inherited resources such as land and land rights, houses and livestock, tools and equipment are normally passed from father to son²³.



²² Specialization means to aim products or services at a particular consumer group (i.e. babies, children, men, women, working adults, pregnant women, disabled people), or at particular institutions (i.e. schools, training centers, hospitals, offices, hotels, restaurants etc.), or at particular professions (i.e. civil servants, teachers, fishermen, drivers, farmers, tailors, nurses and so on). Diversification means branching out or changing direction without losing touch with the main branch. Diversification can therefore mean broadening out an existing product by creating a range of related products (cushions for example, could be made in different sizes, shapes, colors, materials, and for different consumer groups and different purposes).

²³ First Timor Leste Gender Equality Assessment, SEPI, 2013 (draft)

The legislative system in Timor Leste guarantees equal human and constitutional rights to women and men. The Civil Code guarantee to both women and men equal individual property rights and inheritance rights, and the Land Laws have been drafted in a way to allow women and men land's entitlement²⁴. However, although a 'de jure' equality exists, common practices discriminate against women. Women do not usually own land, which is often the most valued asset, and where women are constrained by custom in owning land- land is usually registered under the husband's name-, they are unable to use land as an inputs into production or as collateral for credit.

The approval of the land laws without gender bias and with it the legal ownership of land are of particular importance to women and men in Timor Leste, since few if any people, especially in rural areas, have formal land titles. Legal ownership of land will facilitate access to commercial loans for both women and men. However, it is still necessary to remove direct and indirect (e.g. cultural, sexual bias) barriers which inhibits women's access to land and other resources. This can help many highly capable women and good businesses access commercial loans to facilitate their growth.

2.4 Access to credit and financial services

Women entrepreneurs are changing the face of the global economy, helping to sustain job creation and economic growth. It is estimated that women-owned entities represent over 30 percent of registered businesses worldwide. However, on average, only 5 to 10 percent of women-owned entities have access to commercial bank loans²⁵.

This negatively affects private sector development because **women have proven to be reliable bank customers and good investors**. Evidence suggests that women often have better loan pay-back rates. For example, in microfinance, where women constitute the majority of borrowers, payback rates have historically been between 95 and 98%.²⁶ Research indicates women are loyal customers who are more relationship than transaction driven. If satisfied with the products and services, women customers are more likely to refer business through word of mouth advocacy and are also less likely to default²⁷.

How can the financial sector provide services to entrepreneurs and better target them to the needs of potential and existing women entrepreneurs? First, it is important to understand and ask women why they are not applying for bank loans, or why they have been turned down. It is important to look closely at traditional banking requirements which usually facilitate bank loans only for big business which are formally registered, have land titles and other collateral such as written contracts, etc . Finally, it is crucial to work with financial intermediaries to successfully develop, test, and replicate profitable, commercial banking solutions that cater to women's needs.

Barriers that impede women entrepreneurs from accessing finance include lack of collateral, unfavorable business and regulatory environments as well as a need to strengthen literacy, management and business skills. Another obstacle is the lack of tailored products and services being offered by local banks to women business owners. Because women are less likely to pass stricter financial and educational requirements for loan approval, their access to credit and financial services decreases, ultimately reducing their ability to maintain small enterprises.

²⁴ Clear land laws are yet to be enacted in Timor-Leste, despite Government's efforts to fix this matter. After two years of debate, Parliament passed three laws in February 2012 (Land Law; Expropriation Law and Real Estate Fund Law). However, the President rejected them until further revision. Following this Presidential rejection, in November 2012, the Government of Timor-Leste released two new draft laws that will determine who owns land across the country and the powers of the State to expropriate land in the public interest.

²⁵ *Global Banking Alliance for Women*, www.gbaforwomen.com

²⁶ *Grameen Foundation*, www.grameenfoundation.org

²⁷ *International Finance Corporation*, www.ifc.org

In Timor Leste, access to financial services and credit is particularly difficult for micro, small and medium size enterprises and individuals, especially in the rural areas²⁸. Despite significant credit growth in recent years, bank and other financial institutions generally prefer larger clients because of the lower transaction costs and greater availability of collateral²⁹. This affects women disproportionately as they tend to be concentrated in smaller firms and have more limited access to collateral.

Indeed, commercial banks operating in the country mainly serve big investors and entrepreneurs. Since 2010 ANZ bank offers business and commercial lending in Timor Leste³⁰. Their clients are constituted by a limited numbers of medium entrepreneurs, mainly family run businesses, operating in the retail and import sector; while the majority of clients are represented by large size enterprises in the construction sector. Conditions for loan approval are based on cash-flow, assets and other requirements that make access difficult for small entrepreneurs, especially women and poor citizens³¹. Interest rates are at 9-13%. ANZ Bank also offers saving accounts, at a monthly rate of five USD.

The other two commercial Banks operating in Timor Leste, BNU and Mandiri, also provide limited loans and are mainly deposit takers. Available data shows that BNU provides substantially more loans to private sector than ANZ and Mandiri³². However, this data are not sex-disaggregated and consequently the ratio of female/male entrepreneurs beneficiaries of the loans is unknown as well as the size of their businesses.

The National Commercial Bank of Timor-Leste (Banco National Commercial Timor Leste- BNCTL) is a government bank. As stated in the Program of the V Constitutional Government 2012-2017, the Government will continue to support the Bank and its expansion, so as to serve all our people by providing credit and banking services, and promote national and rural development. The National Commercial Bank of Timor-Leste is supposed to provide services to individuals and to micro, small and medium enterprises³³.

²⁸ Program of the Fifth Constitutional Government 2012-2017, pag.51

²⁹ In addition, in Timor Leste there is not yet a complete framework to enable secured lending, given the lack of effective credit bureau, of a collateral law, and of a land law.

³⁰ Business lending: 10,000 up to 200,000 USD; commercial lending: 150,000 up to 2,000,000- two millions- USD)

³¹ **ANZ Requirement for general loans:**

1. Applicant needs to have been a ANZ client for at least 6 months showing transactions of more or less USD 50,000; 2. Fill in loan declaration form (explain the objective and use as well as the amount of the loan); 3. Attach legal receipt and the authorization letter from the bank; 4. The company profile including : Background information on the CEO/Director - Company structure - Company management - List of competitors - List of properties including market value - Other debts and loans; 5. Business License from the Ministry of Justice; 6. Financial report prepared by a public accountant including profit/loss during last three years; 7. Photocopy of TIN (Tax Identification Number) and a photocopy of tax payment receipt ; 8. Guarantee: Land certificate or registration card of car or motorbike (105%) and 25% in cash/on bank account (on the name of the company or the person who applies for the loan) or 100% of funds available on accounts or Standby letter of credit; 9. Declaration by other Commercial Banks that applicant does not have a loan

³²

KEY COMPARATIVE INDICATORS OF COMMERCIAL BANKS IN TIMOR-LESTE AS OF DECEMBER 2012				
	ANZ	Mandiri	CGD/BNU	BNCTL
Loans	\$29,982	\$12,284	\$95,883	\$17,057
Deposits	\$116,715	\$137,534	\$117,939	\$23,027
LDR	25.69%	8.93%	81.30%	74.07%
NIM	15%	NA	15%	18%
Outreach (branches)	1	1	7	12+ 6 MBVs

[LDR = loan to deposit ratio; NIM = net interest margin; MBVs = mobile banking vans]

³³ Program of the Fifth Constitutional Government 2012-2017, pag. 51

However, notwithstanding government's intentions, up to now the BNCTL's services are mainly directed to public servants, and non-government officials have difficulties to access and benefits from the services provided by BNCTL, in particular loans. BNCTL's interest rate for loans is 18%. In general, interest rates of commercial banks operating in Timor Leste are considered to be very high, making therefore extremely difficult for Timorese micro-small entrepreneurs to access loans.

As consequence, in Timor Leste Micro Finance Institutions (MFI) are currently the only institutions offering credit and financial services to micro and small entrepreneurs, in particular women. And this is not surprising, considering that women's businesses are mainly of micro and small size and it is therefore impossible for women to access to the services (e.g. bigger loan) offered by commercial banks due to strict collateral requirements.

Women clients of micro finance institutions usually access small loans (50 up to 1000 USD on average³⁴) to support their activities mainly concentrating in trading/growing vegetable and kiosk.

The two micro credit institutions operating in Timor Leste, Moris Rasik and Tuba Rai Metin, are currently in the process of becoming ODTIs (Other Deposit Taking Institutions)³⁵. This will allow them to provide more flexible and innovative services to their clients (e.g. saving, withdrawn, bank transfer) and to hopefully help women and men entrepreneurs to grow their business through increased access to credit and diversified services.

Moris Rasik is also starting a process of transformation - i.e. separating Moris Rasik into the Moris Rasik Foundation and Moris Rasik Sociedade Asaun-SA (the non-banking financial institute). The Moris Rasik Foundation, apart from being the majority shareholder of Moris Rasik SA, will continue the financial literacy training and other ongoing programmes. As of 2014 the Moris Rasik SA is to expand its services beyond loans to micro entrepreneurs, with more emphasis on savings and expanding offering in the SME loan sector (5,000 - 20,000 USD- currently up to 15,000 USD, for male and female clients). They are also planning to expand all loans to agriculture.

The other MFI, Tuba Rai Metin (TRM) is currently offering 3 types of loans models starting from 50 up to 3,000 USD. However, in order to be eligible for highest loans (USD 600 to USD 3,000), applicants require the signature/approval of a guarantor, conditions which may be not favorable for women, especially for women single headed household (e.g. single, widow).

Tuba Rai Metin and Moris Rasik are also implementing financial literacy training and offering micro insurance in case of dead of the client and her/his spouse. TRM is also interested in piloting micro-pension scheme in partnership with other institutions and to facilitate access to credit for innovative ideas to start new business or upscale existing ones such as hotels and restaurants in the tourism sector.

Micro-credit undoubtedly offers the potential to overcome the constraints that women entrepreneurs face in the economic realm. However, the effectiveness of these programs may be even further enhanced by combining business development services and financial services: this could indeed facilitate women's access to information and credit and improve their businesses.

Experiences from other countries have shown that where those services are combined through partnership of two different institutions offering financial and non-financial services, the growth rate of the enterprise increase as well as the repayment of financial services.

³⁴ Based on the latest data provided by the two MFIs (June 2013), the average loan size for MorisRasik is \$639 and the average loan size for Tuba Rai Metin is \$1033. The minimum loan offered by either MFIs is \$50 and the maximum is \$10,000. However, generally the max loan amount is effectively closer to \$3000.

³⁵ This is to comply with the 2012 Central Bank of Timor-Leste regulations requiring all non-bank financial institutions to seek registration and licensing as an "Other Deposit Taking Institution" (ODTI)

Strategic partnerships with donor agencies and banks to help financial institutions to better serve MSMEs, and promote reform on financial institutions such as regulations on collateral requirements, are also essential for increasing the access of female and male micro, small and medium entrepreneurs to credit and financial services.

2.5 Access to information, business skills training and business development services

Creating and growing a business requires managerial competencies and experiences, as well as external support, to increase a firm's productivity. Access to education and information play a crucial role for women and men entrepreneurs who need skills and experience to better run a business.

In many developing countries as well as in Timor Leste, women have less educational opportunities. Because of gender discrimination, early marriage and large numbers of children per household, Timorese girls and women, especially in rural areas, do not have access to secondary and tertiary education³⁶. The illiteracy rate among rural women and girls is extremely high. Thus, in Timor Leste women are less educated than men and access to formal and informal training, information and credit is more readily accessible to boys and men than to girls and women. One of the reasons given for this bias is that parents are unwilling to 'invest' much in a girl who will leave home and serve her husband's family. This pattern is perpetuated and even worsens in adulthood. Married women's mobility and therefore access to information, innovation, and new technology are highly restricted.

Previous employment experiences have proven to be crucial for business success. However, given women's lack of employment opportunities as compared to men, they have reduced changes to develop professional experience, business acumen and to easily perceive business opportunities. As consequence, women tend to have weaker managerial and business skills as they are often educated in less business relevant fields, have lower financial knowledge and awareness and more limited business experience, which is also affected by their discontinuous career.

Access to information is another key issue to start, run and expand a business. The lack of available information regarding ideas for earning opportunities, innovation and new technologies affects women more than men. Access to information is problematic to all Timorese people (only 20% own a radio and very few a television) but, because of women's restricted mobility and lower status, they have even less access to new ideas. Women- and men-, especially in rural areas, lack access to information on government actions and programs, market opportunities, suppliers, competitors, technologies, financing sources and on how to start and run a business..



³⁶ Around 40% of everyone aged 10 and above in Timor-Leste is illiterate in all three main languages (Tetum, Portuguese and Indonesian). Illiteracy is higher amongst females, with 44.5% being illiterate, compared to 36.0% of men. Urban females are twice as likely to be literate when compared to their rural counterparts. However, it is at the tertiary qualification level where the gender disparities are greatest. As education levels increase, so does the gender gap in favour of boys: of those that have studied at university, 62% are male and 38% are female. (NSD, 2010)

The Timorese market for training and business support services exhibits a number of weaknesses. There is limited availability of quality business support organizations especially in the most remote areas of the Districts, since they tend to be located in Dili and in the Districts' capitals. Moreover, women often criticize the type of training available in the market as superficial, theoretical and useless for their needs.

Until 2010 there was no systematic way to access business information and training. However, in the last three years, the Institute for Business Support (IADE) helped bridging this accessibility gaps for many women and men in Timor Leste. **IADE** is an autonomous institution under the State Secretary for Support and Promotion of the Private Sector of Timor-Leste or SEAPRI. IADE's mandate is to promote, train and support entrepreneurs. As such, IADE aims to promote the professionalism of micro, small and medium-sized enterprises based on the principles of quality and sustainability. IADE and its districts 'network of *Business Development Centers (CentroDesenvolvimento Empresarial, CDE)* offers courses such as business management to start or improve businesses, courses on business group formation or starting a business association, and courses on trade fair management or improving exhibition skills, training for contractors and agribusiness. After receiving training, entrepreneurs can also benefit from the counseling programme. Examples of counseling services are:

1. Support in identifying business ideas.
2. Facilitation of the process of starting a business including writing a business plan.
3. Provision of technical assistance in business management.
4. Support for participation in public tenders.
5. Help in the preparation of documents for loans application.

IADE also disseminates useful information for entrepreneurs and offers business matchmaking services, organizes trade fair, provides market research services and run themes to promote entrepreneurship such as business plan competitions.

Although the literature is not able to provide conclusive evidence on trainings' impact, it does offer us some early findings. Training appears to have stronger results for micro, small and medium sized enterprises (MSMEs). Evaluations have found that managerial training can upgrade MSMEs business practices and improve firm profits and productivity. A cross-country survey of trainees from the International Labor Organization's (ILO) business management training program found that trainees increased productivity and product diversification, and improved the quality of goods sold; 15-30% of businesses added additional jobs following training³⁷.

2.6 Access to markets

Women and men entrepreneurs often do not have equal access to market's opportunities. Indeed, women's access to market is limited by several factors which influence their capacity to grow their businesses. Primarily, women have less time than men to promote their businesses since they have a double burden of carrying economic activities and 'invisible', unpaid work related to their family responsibilities. A study conducted in 2012 by the National University of Timor-Lorosa'e shows that men entrepreneurs spend most of their time (85%) in running their production activities, operating six days per week, while women are able to dedicate an average 66% of their time to their businesses³⁸.

³⁷ Susanne van Lieshout, Merten Sievers, and Mirza Aliyev, Start and Improve Your Business - Global Tracer Study 2011 (Geneva: International Labor Office, 2012), http://www.ilo.org/empent/areas/start-and-improve-yourbusiness/WCMS_178124/lang--en/index.htm.

³⁸ Value added, home-based industries, marketing and income generation by women in rural areas in Timor-Leste, National University of Timor-Lorosa'e (UNTLL) and UNDP, July 2012, pag. 12

This is an indication that women spend a significant amount of time in domestic work and other housework duties. Due to household responsibilities, one-third of women businesses operate only for three days a week as compared with the six days of men³⁹.

This leads to women's seclusion from the public arena, which combined in many cases with lack of mobility, limits even more their access to markets in various ways. For instance, women usually have less information about prices, rules and rights to basic services⁴⁰.

Constraints on women as micro-entrepreneurs have produced certain similar features in micro enterprises run by women around the world, including in Timor Leste, that limit profitability and growth potential⁴¹. Women's micro-businesses tend to be:

- *Home-based and sometimes ambulant* because women are more likely to keep their businesses close to home;
- *Conservative in growth orientation*. Women's investment patterns tend to be more survival oriented and risk-averse than men's, as women more often carry the immediate maintenance responsibility for children and the elderly. For the same reason, they also tend to be *small scale*;
- *Part-time and seasonal* to accommodate other work related to childcare and agriculture;
- *Low-tech* as a result of women's limited education, capital and contact with the formal sector. This hampers women's access to improved technology, thus depressing their productivity. Even in medium-sized and large firms, women are more likely to hire workers than purchase machinery to increase productivity.

In addition to services such as individual business matchmaking and linking producer and buyer, one good example of increasing access to market for women and men entrepreneurs and promoting local products and services, is the organization of trade fairs. IADE organized TIFOBE⁴² trade fair in 2012 which also included a cooking competition. Trade fairs are meant to support micro and small entrepreneurs so that they can sell their products nationally, beyond the traditional local market. During trade fairs these entrepreneurs have the possibility to find new buyers for products such as handicrafts, where usually women are concentrated and have a limited market.

Alola foundation, a local NGOs supporting women's economic empowerment, also organizes trade fairs during period like Christmas and Eastern to help women's micro entrepreneurs mainly from the districts to sell their products in Dili.



³⁹ Ibid.

⁴⁰ Private Sector Development and Gender, Gender and Development Briefing notes, The World Bank, January 2007 www.worldbank.org/gender

⁴¹ Gender Equality in the private Sector, Ministry of Foreign Affairs of Denmark (DANIDA), 2008

⁴² TIFOBE stands for Timor-Leste International Food and Beverage Trade Fair. TIFOBE also saw the participation of medium entrepreneurs. It also featured a business matchmaking programme in particular to link businesses to the national market –e.g. women's groups supported by the NGO PARCIC to produce tea and honey are now selling their products in Pateo as a result of TIFOBE. TIFOBE wasn't so much designed to help with one-time increased sales at the trade fair, but more to create lasting business-to-business relationships.

Fair Trade initiatives also provide an opportunity to open markets for selected high-quality crafts, strengthen the private sector and raise awareness about Fair Trade business practices locally. The 'Wear Timor' fashion show for example, organized in December 2012 with the partnership of public and private sector, international organizations and local NGOs, showcased Timor-Leste's unique hand-made crafts. It demonstrated the potential of Timor's products to secure economic empowerment for producers and strengthen the local economy. This special event also saw the launch of an enterprise – Liman TL – which aims to take Timor's handcrafts to the world through development of both export sales and capacity development for producers.

2.7 Networking opportunities

The issue of access to network cut across all key areas mentioned above. There are gender differences in networking behaviors as women's networks tend to be smaller, more homogeneous and with less outreach. Women rely mostly on family and friends support networks, proven to be less effective for business success than are business and professional networks⁴³.

Women also tend to spend less time networking than their male counterparts, mainly due to family responsibilities and limited spatial and social mobility. Cultural norms limit the possibility of establishing informal networking contact with male peers. Information and communication technology (ICT) tools have significant potential to remove some of those constraints. Furthermore, as social norms may discourage women from mixing freely with men, participation in women-only business associations can help women make connections, share information, identify business opportunities, generate cross referral and act as support for entrepreneurs who may otherwise feel isolated. Business organizations can also lobby for a more business friendly environment for women in general.

The only female entrepreneurs formal network, the Women Business Association of Timor Leste (Associação Empresarial das Mulheres de Timor-Leste- AEMTL) was established in 2007 under the Chamber of Commerce and Industry and has currently around 100 members.

AEMTL's vision and objectives are to support women's entrepreneurs in Timor Leste and to strengthen their capacity to start, run and grow a business. This will contribute to poverty reduction and to the nation's sustainable economic development and social justice.

As underlined in its Statute, AEMTL aims to develop the entrepreneurial capacity of its members through specific business training and market strategies, at local as well as international level. This also includes to disseminate relevant information for women entrepreneurs and to facilitate access to credit for its members. Among AEMTL's priorities is the support to women living in rural areas and in the districts, especially micro entrepreneurs.

In order to become member of AEMTL, women entrepreneurs need to be resident in Timor Leste and to be able to prove that they run a business which is legally registered.

Notwithstanding its objectives, AEMTL still faces many challenges, in particular regarding the provision of quality services such a business training and counseling to its members and the limited outreach at districts' level (the large majority of AEMTL's members are Dili-based women entrepreneurs). In addition, AEMTL needs to improve its capacity to reach and provide services also to micro entrepreneurs.

⁴³ Global Entrepreneurship Monitor (GEM) Report, 2006., accessible via <http://www.gemconsortium.org>

It is therefore crucial for the Government and for the private sector to support and strengthen formal women's business organizations such as AEMTL, in order to provide women's entrepreneurs with a variety of services such as counseling, business training and market information. It is also essential for AEMTL to expand its membership by encouraging other women's entrepreneurs to be part of its business network and to share information. These services should be available especially for women living in rural areas, who have limited access to networking and information and tend otherwise to remain isolated with few business opportunities available.



3. GOVERNMENT INSTITUTIONS RESPONSIBLE FOR GENDER AND PRIVATE SECTOR: THE STATE SECRETARY FOR SUPPORT AND PROMOTION OF THE PRIVATE SECTOR (SEAPRI) AND THE SECRETARY OF STATE FOR THE PROMOTION OF EQUALITY (SEPI)

3.1 State Secretary for Support and Promotion of the Private Sector (SEAPRI)

The Timorese Government attaches great importance to developing a vibrant private sector. In particular, the Secretary of State for the Support and Promotion of the Private Sector (SEAPRI) acknowledges that Micro and Small Enterprises (MSEs) are the engine for sustainable development and employment creation, and is committed to tackle the constraints and the challenges hampering their consolidation and growth.

The State Secretary for Support and Promotion of the Private Sector was established by Decree Law No. 41/2012 of 7 September, which instituted the organizational structure of the V Constitutional Government. Under the Presidency of the Council of Ministers, SEAPRI is the Government's main body responsible for the area of private sector development and the relations with key actors in the private sector.

According to its mandate, SEAPRI's competencies include the following:

- Develop policies, legislation and mechanisms aiming to promote private investments and Government's collaboration with other relevant stakeholders;
- Develop and implement a national plan to support private sector development in Timor Leste
- Promote debates regarding the participation of the national private sector in the economic development of the country and discuss possible solutions related to unemployment and works-ethic (fundamental principles and rights at work);
- Promote public-private sector dialogue, in order to understand problems and challenges faced by the private sector in its relation with government institutions and to agree on a common platform for action;
- After consultation with the private sector, present proposal related to the formulation of supporting policies and mechanisms, including incentives, in relation to banks and financial institutions
- Support the establishment of the National Development Bank, in partnership with the Ministry of Finance and with the Central Bank.

SEAPRI's organizational structure includes the following bodies: the Institute for Business Support (IADE), the Specialized Investment Agency (AEI, formerly Trade Invest Timor Leste), the National Commercial Bank of Timor Leste (BNCTL) and the Bamboo Center. A Monitoring and Evaluation Unit and a Department for Private Sector Policies have been recently established.

3.2 Secretary of State for the Promotion of Equality (SEPI)

The Secretary of State for the Promotion of Equality (SEPI) was established by the Decree-Law 16/2008 of 4th June 2008⁴⁴, as proof of the commitment of the IV Constitutional Government of Timor-Leste to the promotion of gender equality as well as recognition of women's role in bringing peace and development for Timor-Leste. Since its creation, SEPI has been the main Government body responsible for designing, coordinating and assessing policies as defined by the Council of Ministers, for the area of gender equality and women's rights pursuing the principle of the Constitution of the Democratic Republic of Timor Leste⁴⁵.

SEPI seeks to promote a culture of gender equality. Towards this end, SEPI as an institution under the Prime Minister's Cabinet, has authority and responsibility to mainstreaming gender in government programmes and to influence laws and policies to make them gender responsive⁴⁶.

As such, SEPI's mission includes in addition to public sensitization and awareness raising on the need to promote gender equality in all sectors and sphere of public and private life, at national and at local level, also advocacy for national and sector policies that recognize women's contribution to society. In pursuit of its mission, SEPI initiates dialogues, works with partners, establishes linkages, networks and coordinates with relevant institutions in public and private sectors, with international and national organizations, community-based, youth and women's groups.

SEPI's main role and added value lies in its coordinating and oversight functions. It is not an implementing agency. Implementation of laws, policies and programmes are in the hands of the line ministries. However, SEPI has a catalytic role in promoting gender equality in Timor-Leste. It serves as the prime mover for gender equality within government and must advocate so that gender is incorporated in all policies, programmes and budgets of government institutions.

Learning from the OPE's experience, it was agreed for SEPI to pursue five strategic goals in its strategic plan for 2010-2015:

1. Building SEPI's institutional capacity (especially on staff capacity and technical expertise in gender mainstreaming)
2. Advocate for gender responsive policies and legislation in government
3. Reinforce the gender mainstreaming mechanisms in government institutions and state agencies
4. Raise the level of awareness among stakeholders and the general public at national and local levels
5. Women's economic empowerment through public transfers to women's groups.

⁴⁴ SEPI replaced the former Office of the Advisor to the Prime Minister on the Promotion of Equality (OPE) established in 2002 during the First Constitutional Government

⁴⁵ Article 7 of the Constitution guarantee equal rights and opportunities to women and men.

⁴⁶ Annual Report 2009 – Secretary of State for the Promotion of Equality, Democratic Republic of Timor-Leste, IVth Constitutional Government, Dili, 2010



4. A NATIONAL STRATEGY TO PROMOTE GENDER EQUALITY IN PRIVATE SECTOR DEVELOPMENT

‘The economic growth we want for our country can only be achieved by strengthening micro, small and medium companies and by making our social companies and cooperatives sounder. The growth we need can only be achieved if we have a sound private sector that complies with the good business practices and that is able to generate wealth outside the structures of the State, thereby nurturing and diversifying the economy and promoting the capacity building of the Timorese citizens.’

Kay Rala Xanana Gusmão⁴⁷

The main objective of this strategy is to enhance the collaboration among key stakeholders in Timor Leste for the development of a private sector which takes into account gender differences and concerns and responds to the needs of potential and existing women and men (micro, small and medium) entrepreneurs, at districts and at national level. It is hoped that the development of a gender and private sector strategy and of an action plan for its implementation will empower and bring positive changes in the working and social lives of Timorese women and men.

The leading institution which will coordinate the implementation of the Strategy and Action Plan is SEAPRI, in cooperation with SEPI, according with their respective mandates to support private sector and gender equality. Collaboration with other relevant government institutions, financial institutions and with the private sector is imperative⁴⁸ to ensure that all areas are covered through a participatory process which see the involvement of all key stakeholder for the development of an inclusive and sustainable private sector.

The Strategy and its action plan are focused and will be executed around five key areas, according to the challenges faced by Timorese business women and men as described above. These include: lack of a business enabling environment; lack of dialogue and coordination between the public and the private sectors; difficult access to credit and financial services; lack of market access for products and services, ineffective utilization of local resources/opportunities, limited involvement of private sector in Government service delivery and weak managerial and entrepreneurial knowledge.

The strategy is based on a systemic approach to gender equality promotion in enterprise development. Implementation of this strategy will ensure that the needs of women entrepreneurs are better catered for alongside men’s and will guarantee a gender sensitive approach in private sector development.

The strategic objectives, outputs and activities set out in this Strategy and Action Plan are fully aligned with, and reinforce, the Strategic Development Plan 2012-2030 of the Government of Timor Leste as well as the specific strategic planning documents of the government.

⁴⁷ Opening Speech of H.E. Prime Minister Kay Rala Xanana Gusmão pronounced at the ‘Forum on Inclusive Growth’, Dili, 6-7 February 2012

⁴⁸ See annex 2 for detailed list of role and mandate of specific government and private sector Institutions

4.1 Strategic Objectives, Outputs and Activities

Development Objective:

The Strategy will contribute to the generation of pro-poor inclusive economic development and quality employment for women and men by spurring growth of businesses of all sizes through engendered private sector policies and programmes.

Strategic Objective 1: Improved institutional framework and business enabling environment to support potential and existing women and men micro, small and medium entrepreneurs

Output 1.1: Business registration facilitated for micro, small and medium entrepreneurs

Activity 1.1.1: SEAPRI to disseminate information regarding the establishment and functioning of the Serviço de Registo e Verificação Empresarial (SERVE) to encourage women and men entrepreneurs to register their businesses with the Government. This will ultimately allow them to enter into contracts, bid for contracts, apply for bank loans and other financial services, seek legal protection and to protect their business' name.

Activity 1.1.2: SEAPRI to collaborate with SERVE to integrate assistance for business registration in the business training and counselling services offered by IADE in particular through CDEs in the districts.

Activity 1.1.3: SEAPRI to collaborate with SERVE to facilitate the pilot of an online platform for business registration, in order to improve accessibility of business registration. An online platform would eliminate the need to travel to Dili and wait in line during business hours. It would also reduce propensity for gender bias and/or corrupt practices.

Activity 1.1.4: SEAPRI/IADE to coordinate with SERVE and MFIs for the business registration of MFI's clients, especially those living in remote areas in the districts (e.g. MFIs will collect necessary information for business registration from their clients and bring requested documents to IADE/CDEs).

Outputs 1.2: National and international investors sensitized on Gender in Private Sector Development

Activity 1.2.1: SEAPRI's Agencia Especializada de Investimento (AEI, formerly Trade Invest Timor Leste) to develop Gender Sensitive Guidelines for Investors which include: a requirement to present a project with an estimation of the number of women and men who will be employed and the gender impact of the kind of project/sector selected for investment.

Activity 1.2.2: SEAPRI to revise the National Investment Law with a gender lens by 2014.

Activity 1.2.3: SEAPRI to facilitate/ conduct gender mainstreaming concepts and strategies training for AEI Staff.

Outputs 1.3: Policies, regulations and mechanism to facilitate development of micro, small and medium enterprises and women entrepreneurship adopted and implemented

Activity 1.3.1: SEAPRI, in collaboration with CCI-TL, to undertake bi-annual survey of MSMEs (at least 40% of surveyed respondents are women entrepreneurs) and identify problems to be addressed and lessons learned.

Activity 1.3.2: SEAPRI to advocate with the *Ministry of Justice (MoJ)* to facilitate the monitoring and effective implementation of the Land Law (once adopted by the Parliament), ensuring that both women and men are guaranteed land property rights.

Activity 1.3.3: SEAPRI to advocate/cooperate with the *Ministry of Commerce, Industry and Environment* (MCIA) to develop and adopt specific regulations to determine criteria for classification of enterprises (e.g. number of employees, turnover).

Activity 1.3.4: SEAPRI to cooperate with the *Ministry of Justice* and the *Ministry of Commerce, Industry and Environment* to consolidate the existing databases into one national sex-disaggregated database on micro, small, medium-size and large enterprises in Timor Leste. This sector specific database will provide sex-disaggregated data and information about the number and size of registered business, number of employees, sector, district. This database will be made available to IADE to ensure IADE is able to indiscriminately provide business information to all registered entrepreneurs.

Activity 1.3.5: SEAPRI to promote the inclusion of a representative of IADE/CDE in each District Gender Working Group (DGWG) by coordinating with the *Ministry of State Administration*, in collaboration with SEPI. At least once a year the topic of gender equality promotion and private sector development is discussed in the DGWG.

Activity 1.3.6: SEAPRI to advocate with the Ministry of Finance to develop contracting methods in order to ensure that the government procurement for all projects (e.g. infrastructures, training, food, security) is consistent with the inclusive growth concept, such as by setting aside target or quota for woman-owned businesses, youth hiring protocols and local hire requirements.

Strategic Objective 2: Increased access to credit and financial services for MSMEs and women entrepreneurs in Timor Leste

Output 2.1: Increased access to financial services offered by commercial banks for women and men micro, small and medium entrepreneurs

Activity 2.1.1: SEAPRI to strengthen BNCTL Board of Directors and encourage BNCTL to improve operational management and efficiency, conduct a feasibility study on possible branchless banking strategies, upgrading the MIS system as needed, and proactively seek to extend access to a variety of financial services to men and women entrepreneurs on terms that are commercially sustainable.

Activity 2.1.2: SEAPRI to lead a Secured Transaction reform process to create the legal framework and electronic registry to enable lenders to take an interest in moveable property as collateral for lending.

Activity 2.1.3: In anticipation of the Secured Transaction Reform, SEAPRI to work closely with financial institutions to develop plans to implement the reform and extend the availability of security backed loans.

Activity 2.1.4: SEAPRI to work together with the Central Bank of Timor-Leste (BCTL) to upgrade the existing Credit Registry to enable more robust validation of borrower credit-worthiness.

Activity 2.1.5: SEAPRI to facilitate the establishment of risk-sharing facilities for all interested commercial banks (e.g. creation of a small business loan guarantee system).

Output 2.2: Increased access to credit and other financial services for micro and small entrepreneurs, especially women entrepreneurs

Activity 2.2.1: SEAPRI to work with local financial institutions to enhance offerings that increase access to finance for women entrepreneurs such as: equity/capital; targeted loans/credit lines; risk-sharing facilities with banking and non-banking partners; credit insurance; supply chain finance and distributor finance.

Activity 2.2.2: SEAPRI to facilitate offering of advisory services to financial institutions to deepen their ability to reach women-owned businesses through: strategic planning, market positioning/segmentation, product repositioning and staff training.

Activity 2.2.3: SEAPRI to advocate with financial institutions and commercial banks interested in developing products tailored to women's needs.

Activity 2.2.4: SEAPRI to collaborate with relevant partners such as MFIs and private/public sector to accompany provision of financial services with financial literacy training to women -and men- entrepreneurs in needs, in order to build their capacity to engage in the private sector.

Activity 2.2.5: SEAPRI to facilitate linkages between IADE and BNCTL to ensure viable female and male businesses have access to necessary financial services.

Strategic Objective 3: Increased access to Business Development Services and information for potential and existing women and men entrepreneurs

Output 3.1: SEAPRI/IADE services are gender responsive and tailored to the needs of women and of micro, small and medium entrepreneurs

Activity 3.1.1: SEAPRI to ensure that IADE staff is trained in gender awareness and gender mainstreaming concepts and strategies, including gender analysis, planning, monitoring and evaluation.

Activity 3.1.2: IADE to ensure that all its services (business training, business counseling, value chain development, business matchmaking, trade fairs, business plan competition, provision of business information) address the needs of women and men entrepreneurs in Dili and in the districts. Ensure that at least 50% of beneficiaries are women.

Activity 3.1.3: IADE to review regularly its business development services materials ensuring that gender is incorporated and to develop gender focused business information programmes in order to educate women and MSMEs about sources of financing, criteria used for loans' approval, how to prepare proposals and plans to secure financing.

Activity 3.1.4: SEAPRI to conduct impact assessment of the services provided by IADE, in particular of business training, through collection of sex-disaggregated data and satisfaction rates of beneficiaries in order to assess effectiveness of current strategies and develop specific interventions to address inequities.

Output 3.2: Increased outreach of IADE services to women and micro, small and medium entrepreneurs in the Districts.

Activity 3.2.1: SEAPRI/IADE to ensure that IADE's services are available in all 13 districts of Timor Leste.

Activity 3.2.2: IADE/CDEs to disseminate business information in the districts and to provide districts' entrepreneurs with information on business opportunities, such as business matchmaking, information on commercial legislation or other laws relevant to doing business in Timor-Leste, access to credit, trade fairs, business competition and value chain. Ensure that at least 50% of beneficiaries are women.

Activity 3.2.3: SEAPRI/IADE to strengthen business services offered by CDEs such as training on starting and improving a business and business counseling. Ensure that at least 50% of beneficiaries are women by 2017.

Activity 3.2.4: SEAPRI/IADE to ensure cooperation with the Secretary of State for local Development (*Ministry of State Administration*) regarding district administrations using IADE's tender information system to provide both male and female entrepreneurs with information on PDID (Planeamentu dezvoltamentu integradu districtal) tenders.

Output 3.3: Improved entrepreneurship awareness and capacity of women and men entrepreneurs and MSMEs to run their businesses successfully.

Activity 3.3.1.: IADE to implement public awareness campaign supporting women entrepreneurship and business mentality.

Activity 3.3.2.: IADE to organize business competition events focusing on women and youth entrepreneurship promotion.

Activity 3.3.3: SEAPRI to assist MFIs to strengthen link and referral services with business development services for their female and male clients (e.g. IADE)

Strategic Objective 4: Enhanced market's access for MSMEs, especially for women and men living in rural areas

Output 4.1: Promote women and men's businesses in potential sectors for productive income generation, employment and economic growth

Activity 4.1.1: IADE to conduct value chain analysis in sectors with high potential for income generation and employment, especially for women (e.g. tourism, agriculture) and promote women and men participation and inclusion in all interventions that are designed to overcome bottlenecks in the sectors and unleash the sectors' economic potential. Ensure that at least 50% of beneficiaries are women by 2017.

Activity 4.1.2: IADE's Business Innovation Facility to provide tailor-made support packages to entrepreneurs with innovative business ideas based on findings from market research conducted by IADE beforehand. These support packages can include a variety of business development services IADE offers as well as technical skills training or support in accessing finance if new technology needs to be purchased. Ensure that at least 50% of beneficiaries are women by 2017.

Activity 4.1.3: SEAPRI to advocate with the Ministry of Public Works and other relevant government institutions to improve the conditions of infrastructure, in particular of national and rural roads and other infrastructure necessary for economic activities in rural areas (clean water, energy, communications, design of policy for transport system).

Activity 4.1.4: SEAPRI to ensure that both women and men are beneficiaries of the technical training provided to the Bamboo Center - at least 30% of trainees are women.

Output 4.2: Promote local products and link them with national and international markets, in particular in sectors which are relevant for women entrepreneurs.

Activity 4.2.1: SEAPRI, in partnership with MCIA, CCI-TL, AEMTL, local organizations and women's groups to organize at least one Trade Fair every year.

Activity 4.2.2: IADE to promote MSMEs and women's businesses through business match-making services and its "Enterprise Directory" that contains information on suppliers and buyers.

Activity 4.2.3: SEAPRI to seek potential partners to promote fair trade products and support existing initiatives on fair trade which link local production with international markets, through development of both export sales and capacity development for producers.

Strategic Objective 5: Increased access to formal network for women entrepreneurs, especially for rural women running micro, small and medium sized business in the districts.

Output 5.1: Existing formal networks for women entrepreneurs strengthened and district's outreach increased .

Activity 5.1.1: SEAPRI/IADE to support AEMTL (the Women Business Association) to provide a variety of services to their members such as counseling, business training, market information, etc (e.g. by strengthening AEMTL's capacity to build networks with BDS Providers and get discounted price for services, etc.).

Activity 5.1.2: SEAPRI to support AEMTL to increase the membership of women entrepreneurs in the districts by supporting AEMTL's campaign, linking with the local CCI-TL and disseminating information about modality of registration to the AEMTL, benefits for the members and services provided.

Activity 5.1.3: SEAPRI/IADE, in collaboration with SEPI and through the district gender working group, to encourage business networking and information sharing among women being active in sectoral initiatives such as tourism, handicraft, agriculture, retails, transport, etc.

Activity 5.1.4: IADE/CDEs to build and maintain the client/business network (e.g. through quarterly communications, events, etc.) in order to keep women –and men- entrepreneurs/clients connected, informed and aware of potential opportunities and able to work together and use CDE/IADE's services.



**5. GENDER AND PRIVATE SECTOR DEVELOPMENT
ACTION PLAN for 2014-2017**



GENDER AND PRIVATE SECTOR DEVELOPMENT

ACTION PLAN for 2014-2017

STRATEGIC OBJECTIVE 1: Improved institutional framework and business enabling environment to support women and men potential and existing micro, small and medium entrepreneurs

Output 1.1: Business registration facilitated for micro, small and medium entrepreneurs

Indicators:

- Women and men entrepreneurs know about SERVE (Serviço de Registo e Verificação Empresarial)
- Number of registered and licensed businesses (minimum 30% women owned/managed enterprises) increased gradually every year
- MOU signed between IADE- SERVE-MFIs

	Identified Activities	Responsibility/ Cooperation	Timeframe			
			2014	2015	2016	2017
1.1.1	SEAPRI to disseminate information regarding the establishment and functioning of the Serviço de Registo e Verificação Empresarial (SERVE) to encourage women and men entrepreneurs to register their businesses with the Government	SEAPRI MoJ MCIAIFC				

1.1.2	SEAPRI to collaborate with SERVE to integrate assistance for business registration in the business training and counselling services offered by IADE, in particular through CDEs in the districts.	SEAPRI- IADE SERVE				
1.1.3	SEAPRI to collaborate with SERVE to facilitate the pilot of an online platform for business registration, in order to improve accessibility of business registration.	SEAPRI, SERVE, ADB,IFC SERVE				
1.1.4	SEAPRI/IADE to coordinate with SERVE and MFIs for the business registration of MFI's clients, especially those living in remote areas in the districts.	IADE, MFIs, SERVE				
Output 1.2: National and international investors sensitized on Gender in Private Sector Development						
Indicators:						
- Gender Sensitive Guidelines for Investors adopted by the Specialized Investment Agency (AEI) by June 2014						
- National Investment Law which is gender responsive is approved by the Council of Minister						
1.2.1	SEAPRI's Specialized Investment Agency (AEI) develops Gender Sensitive Guidelines for Investors which include: requirement to present projects with estimation of number of women and men who will be employed and the gender impact of the kind of project/sector selected for investment	SEAPRI-AEI				
1.2.2	SEAPRI to revise the National Investment Law with a gender lens by 2014	SEAPRI-AEI				
1.2.3	SEAPRI to facilitate/ conduct gender mainstreaming concepts and strategies training for AEI Staff	SEAPRI-SEPI, External collaborators				

Output 1.3: Policies, regulations and mechanisms to facilitate development of micro, small and medium enterprises and women entrepreneurship adopted and implemented

Indicators:

- **1 Survey every 2 years about MSMEs and women entrepreneurs challenges/opportunities produced by 2017 by SEAPRI-CCI-TL**
- **Land Law approved by the Parliament by end of 2014**
- **Regulations on Enterprises' Classification in place by end of 2014**
- **One National Database established by end of 2014 and containing sex-disaggregated data and information about number and size of registered business, number of employees, sector, district**
- **A representative of IADE is member of the District Gender Working Group in all the 10 districts where IADE has CDEs**
- **1 Discussion on Gender and PSD held in 10 districts each year**
- **Contracting Regulations for the procurement of infrastructure projects adopted by 2014**

1.3.1	SEAPRI, in collaboration with CCI-TL, to undertake bi-annual survey of MSMEs (at least 40% of surveyed respondents are women entrepreneurs) and identify problems to be addressed and lessons learned.	SEAPRI CCI-TL AEMTL				
1.3.2	SEAPRI to advocate with the <i>Ministry of Justice (MoJ)</i> to facilitate the monitoring and effective implementation of the Land Law (once adopted by the Parliament), ensuring that both women and men are guaranteed land property rights.	SEAPRI MOJ				
1.3.3	SEAPRI to advocate/cooperate with the <i>Ministry of Trade, Commerce and Environment (MCIA)</i> to develop and adopt specific regulations to determine criteria for classification of enterprises (e.g. number of employees, turnover).	SEAPRI MCIA	By end of 2014			

1.3.4	SEAPRI to cooperate with the <i>Ministry of Justice</i> and the <i>Ministry of Trade, Commerce and Environment</i> to consolidate the existing databases into one national database on micro, small, medium-size and large enterprises in Timor Leste. This sector specific database will provide sex-disaggregated data and information about the number and size of registered business, number of employees, sector, district. This database will be made available to IADE to ensure IADE is able to indiscriminately provide business information to all registered entrepreneurs.	SEAPRI MCIA MOJ				
1.3.5	SEAPRI to promote the inclusion of a representative of IADE/CDE in each District Gender Working Group (DGWG) by coordinating with the <i>Ministry of State Administration (MSA)</i> , in collaboration with SEPI. At least once a year the topic of gender equality promotion and private sector development is discussed in the DGWG.	SEAPRI IADE/CDEs SEPI MSA				
1.3.6	SEAPRI to advocate with the Ministry of Finance to develop contracting methods in order to ensure that the government procurement for all projects (e.g. infrastructures, training, food, security) is consistent with the inclusive growth concept, such as by setting aside target or quota for woman-owned businesses, youth hiring protocols and local hire requirements	SEAPRI MOF				

STRATEGIC OBJECTIVE 2: Increased access to credit and financial services for MSMEs and women entrepreneurs in Timor Leste

Output 2.1: Increased access to financial services offered by commercial banks for women and men micro, small and medium entrepreneurs

Indicators:

- **Gradual Annual Increase of women and men entrepreneurs accessing loans by BNCTL in Timor Leste (minimum 30% women and target of 50% women)**
- **Security Transaction Reform in place by the end of 2014**
- **Loan guarantee in place by 2017 and minimum 30% -target of 50% of loan guarantees and/or other financial products are to women entrepreneurs and MSMEs**
- **Number of women and men entrepreneurs received advisory services from banks officers increased annually**

2.1.1	SEAPRI to strengthen BNCTL Board of Directors and encourage BNCTL to improve operational management and efficiency, conduct a feasibility study on possible branchless banking strategies, upgrading the MIS system as needed, and proactively seek to extend access to a variety of financial services to men and women entrepreneurs on terms that are commercially sustainable.	SEAPRI BNCTL ADB				
2.1.2	SEAPRI to lead a Secured Transaction reform process to create the legal framework and electronic registry to enable lenders to take an interest in moveable property as collateral for lending.	SEAPRI-ADB				
2.1.3	In anticipation of the Secured Transaction Reform, SEAPRI to work closely with financial institutions to develop plans to implement the reform and extend the availability of security backed loans.	SEAPRI-ADB Commercial Banks				
2.1.4	SEAPRI to work together with the Central Bank of Timor-Leste (BCTL) to upgrade the existing Credit Registry to enable more robust validation of borrower credit-worthiness	SEAPRI BCTL				
2.1.5	SEAPRI to facilitate the establishment of risk-sharing facilities for all interested commercial banks (e.g. creation of a small business loan guarantee system).	SEAPRI				

Output 2.2: Increased access to credit and other financial services for micro and small entrepreneurs, especially women entrepreneurs

Indicators:

- Numbers of women entrepreneurs accessing loans and other financial services by commercial banks and other financial institutions (MFIs) increased annually
- All existing MFIs capable of increase number of support services to male and female entrepreneurs, including financial literacy training

2.2.1	SEAPRI to work with local financial institutions to enhance and increase access to finance for women entrepreneurs such as: equity/capital; targeted loans/credit lines; risk-sharing facilities with banking and non-banking partners; credit insurance; supply chain finance and distributor finance	SEAPRI Financial institutions				
2.2.2	SEAPRI to facilitate offer of advisory services to financial institutions to deepen their ability to reach women-owned businesses through: strategic planning, market positioning/segmentation, product repositioning and staff training	SEAPRI Financial institutions				
2.2.3	SEAPRI to advocate with financial institutions and commercial banks interested in developing products tailored to women's needs.	SEAPRI, Financial institutions, Commercial Banks				
2.2.4	SEAPRI to collaborate with relevant partners such as MFIs and private/public sector to accompany provision of financial services with financial literacy training to women -and men- entrepreneurs in needs, in order to build their capacity to engage in the private sector.	SEAPRI/IADE Financial institutions				
2.2.5	SEAPRI to facilitate linkages between IADE and BNCTL to ensure viable female and male businesses have access to necessary financial services.	SEAPRI IADE/CDEs MFIs				

STRATEGIC OBJECTIVE 3: Increased access to Business Development Services (BDS) and information for potential and existing women and men entrepreneurs

Output 3.1: SEAPRI/IADE services are gender responsive and tailored to the needs of women and of micro, small and medium entrepreneurs

Indicators:

- **Increased number of gender-responsive services provided by male and female IADE staff to women (potential) entrepreneurs**
- **Increased knowledge of IADE staff on gender mainstreaming (Gender Training's Reports and Pre and Post Test's Results)**
- **minimum 30% and target of 50% of beneficiaries of IADE services - clients trained, including contractors trained and certified, clients counselled, MSEs participating in trade fairs, MSMEs participating in business matchmaking events, MSMEs receiving business information, value chain, business plan competition, - are women-managed enterprises (IADE database)**
- **SEAPRI's impact assessment of IADE's services provides sex-disaggregated data and satisfaction rates of beneficiaries which is above 60%**
- **50% of MSMEs receiving BDS from IADE/CDEs have increased their turnover (IADE BDS MIS)**
- **Specific gender targets included in IADE's Annual Action Plan and Budget**

3.1.1	SEAPRI to ensure that IADE staff is trained in gender awareness and gender mainstreaming concepts and strategies, including gender analysis, planning, monitoring and evaluation.	SEAPRI-IADE				
3.1.2	IADE to ensure that all its services (business training, business counseling, value chain development, business matchmaking, trade fairs, business plan competition, provision of business information) address the needs of women and men entrepreneurs in Dili and in the districts. Ensure that at least 50% of beneficiaries are women.	SEAPRI IADE				
3.1.3	IADE to review regularly its business development services materials ensuring that gender is incorporated and to develop gender focused business information programmes in order to educate women and MSMEs about sources of financing, criteria used for loans' approval, how to prepare proposals and plans to secure financing.	SEAPRI IADE				

3.1.4	SEAPRI to conduct impact assessment of the services provided by IADE, in particular of business training, through collection of sex-disaggregated data and satisfaction rates of beneficiaries in order to assess effectiveness of current strategies and develop specific interventions to address inequities	SEAPRI				
Output 3.2 Increased outreach of IADE services to women and micro, small and medium entrepreneurs in the Districts						
Indicators: <ul style="list-style-type: none"> - IADE's CDE have functioning offices with at least 30 % of female staff in 13 districts by 2015 - Number of women and men entrepreneurs/clients receiving services from CDEs increased annually. Minimum 30% and target of 50% of registered clients are women (IADE database). - Number of women and men entrepreneurs receiving training and counseling services from CDEs increased annually. Minimum 30% and target of 50% of them are women. 						
3.2.1	SEAPRI/IADE to ensure that IADE's services are available in all 13 districts of Timor Leste.	SEAPRI/ IADE				
3.2.2	IADE/CDEs to disseminate business information in the districts and to provide districts' entrepreneurs with information on business opportunities, such as business matchmaking, information on commercial legislation or other laws relevant to doing business in Timor-Leste, access to credit, trade fairs, business competition and value chain. Ensure that at least 30% of beneficiaries are women (target 50%).	SEAPRI IADE/CDEs				
3.2.3	SEAPRI/IADE to strengthen business services offered by CDEs such as training on starting and improving a business and business counseling. Ensure that at least 30% of beneficiaries are women (target 50%).	SEAPRI IADE/CDEs				
3.2.4	SEAPRI/IADE to ensure cooperation with the Secretary of State for Local Development (<i>Ministry of State Administration</i>) regarding district administrations using IADE's tender information system to provide both male and female entrepreneurs with information on PDID (Planeamentu dezenvolvimentu integradu districtal) tenders	SEAPRI/IADE SEDL				

Output 3.3: Improved entrepreneurship awareness and capacity of women and men entrepreneurs and MSMEs to run their businesses successfully

Indicators:

- **At least 2 Public awareness campaign supporting women entrepreneurship and business mentality implemented by SEAPRI by 2017**
- **At least 2 Business Competition events organized by 2017. At least 30% of registered participants are women (target 50%)**
- **50% of MSMEs receiving services by SEAPRI have increased their turnover by 2017. Of these 50%, at least 25% are women owned enterprises (im-pact assessment to be conducted in 2015 and 2017)**
- **Number of women and men clients of MFIs accessing BDS increased annually**

3.3.1	IADE to implement public awareness campaign supporting women entrepreneur-ship and business mentality	SEAPRI/IADE				
3.3.2	IADE to organize business competition events focusing on women and youth entre-preneurship's promotion	SEAPRI/IADE				
3.3.3	SEAPRI to assist MFIs to strengthen link and referral services with business devel-opment services for their female and male clients (e.g. IADE)	SEAPRI-IADE MFIs				

STRATEGIC OBJECTIVE 4: : Enhanced market's access for MSMEs, especially for women and men living in rural areas

Output 4.1 Promote women and men's businesses in potential sectors for productive income generation, employment and economic growth

Indicators:

- **By 2017, at least 50% of beneficiaries of value chain interventions are women, as per impact assessment to be conducted**
- **By 2017, at least 50% of entrepreneurs receiving and benefiting from Business Innovation Facility offered by IADE are women**
- **By 2017, conditions of national and rural roads improved and access to clean water and electricity increased, especially in rural areas**

#	Identified Activities	Responsibility/ Cooperation	Timeframe			
			2014	2015	2016	2017
4.1.1	IADE to conduct value chain analysis in sectors with high potential for income generation and employment, especially for women (e.g. tourism, agriculture) and promote women and men participation and inclusion in all interventions that are designed to overcome bottlenecks in the sector and unleash the sector's economic potential. Ensure that at least 50% of beneficiaries are women by 2017	SEAPRI IADE MOT MAF				
4.1.2	IADE's Business Innovation Facility to provide tailor-made support packages to entrepreneurs with innovative business ideas based on findings from market research conducted by IADE beforehand. These support packages can include a variety of business development services IADE offers as well as technical skills training or support in accessing finance if new technology needs to be purchased. Ensure that at least 50% of beneficiaries are women by 2017.	SEAPRI IADE				
4.1.3	SEAPRI to advocate with the Ministry of Public Works and other relevant government institutions to improve the conditions of infrastructure, in particular of national and rural roads and other infrastructure necessary for economic activities in rural areas (clean water, energy, communications, design of policy for transport system)	SEAPRI MPW				
4.1.4	SEAPRI to ensure that both women and men are beneficiaries of the technical training provided to the Bamboo Center - at least 30% of trainees are women	SEAPRI				
Output 4.2: Promote local products and link them with national and international markets, in particular in sectors which are relevant for women entrepreneurs.						
Indicators: <ul style="list-style-type: none"> - One Trade Fair organized each year with minimum of 30% (target 50%) of women's enterprises registered - By 2017, at least 50% of entrepreneurs receiving and benefiting from business matchmaking services offered by IADE are women 						

4.2.1	SEAPRI, in partnership with MCIA, CCI-TL, AEMTL, local organizations and women's groups to organize at least one Trade Fair every year	SEAPRI/ IADE,MCIA, CCI-TL, AEMTL, women's NGOs				
4.2.2	IADE to promote MSMEs and women's businesses through business match-making services and its "Enterprise Directory" that contains information on suppliers and buyers.	SEAPRI IADE				
4.2.3	SEAPRI to seek potential partners to promote fair trade products and support existing initiatives on fair trade which link local production with international markets, through development of both export sales and capacity development for producers.	SEAPRI IADE				

STRATEGIC OBJECTIVE 5: Increased access to formal network for women entrepreneurs, especially for rural women running micro, small and medium sized business in the districts

Output 5.1: Existing formal networks for women entrepreneurs strengthened and district's outreach increased

Indicators:

- **Increased number of women entrepreneurs members of AEMTL in the districts**
- **Set-up of women entrepreneurs peer support networks in the districts (at least 3 networks operative by 2017)**

#	Identified Activities	Responsibility/ Cooperation	Timeframe			
			2014	2015	2016	2017
5.1.1	SEAPRI/IADE supports CCI-TL and AEMTL to provide a variety of services to their members such as counseling, business training, market information (e.g. by strengthening AEMTL's capacity to build networks with BDS Providers and get discounted price for services, etc.)	SEAPRI/IADE AEMTL CCI-TL				

5.1.2	SEAPRI to support CCI-TL and AEMTL to increase the membership of women entrepreneurs in the districts by supporting AEMTL's campaign, linking with the local CCI-TL and disseminating information about modality of registration to the AEMTL, benefits for the members and services provided.	SEAPRI AEMTL CCI-TL				
5.1.3	SEAPRI/IADE, in collaboration with SEPI and through the district gender working group, to encourage business networking and information sharing among women being active in sectoral initiatives such as tourism, handicraft, agriculture, retails, transport, etc.	SEAPRI-IADE SEPI				
5.1.4	IADE/CDEs to build and maintain the client/business network (e.g. through quarterly communications, events, etc.) in order to keep women –and men- entrepreneurs/clients connected, informed and aware of potential opportunities and able to work together and use CDE/IADE's services.	SEAPRI IADE/CDEs AEMTL CCI-TL				

6. PERFORMANCE MONITORING AND EVALUATION

Results-based monitoring and evaluation mechanisms will be established in order to ensure ongoing performance monitoring and evaluation of this Strategic Framework. This will require the continued engagement of the Monitoring and Evaluation Unit of SEAPRI and IADE in coordinating the annual review and evaluation process in order to assess and measure implementation of the Strategy and identify necessary revisions to the Action Plan.

The Head of the Monitoring and Evaluation Unit of SEAPRI will have primary responsibility for overseeing and monitoring the implementation process and for assessing and evaluating progress. The baseline data and indicators set out in the Action Plan will be used in order to effectively measure the results and impact of SEAPRI's work.

In order to ensure full transparency and accountability, reports on the implementation status of the Strategy and Action Plan will be developed. Such reports will be issued on a quarterly and annual basis. A final impact assessment will be prepared in early 2018 in order to assess implementation of the Strategic Framework. This report will be based on the results of an independent evaluation and incorporate feedback from the Government, private sector, financial institutions, UN partners, donors agencies, civil society, and community stakeholders.

ANNEXES

ANNEX I

KEY STAKEHOLDERS FOR GENDER AND PRIVATE SECTOR DEVELOPMENT

1.1 Government Institutions

In Timor Leste there are other relevant government bodies which are crucial for the development of an inclusive private sector responding to the needs of micro, small, and medium entrepreneurs, as underlined in both the Strategic Development Plan 2011-2030 and in the Program of the Fifth Constitutional Government of Timor Leste.

a. The Ministry of Commerce, Industry and Environment (MCIA) is the leading government institution responsible for the definition, implementation and coordination of policies and regulations in the area of economic, commercial and industrial activities. This includes the development of programmes aiming to increase the competitiveness of the economy at national and international level and to diversify it.

The Ministry of Commerce, Industry and Environment is currently also responsible for the licensing of commercial and industrial establishments and for conducting inspections of private business according to the law. MCIA organizes and manages the registration of industrial properties. Under its mandate is also the management of a center of documentation and information about enterprises, which should classify and keep track of the different types of enterprises (micro, small, medium, large) according with specific criteria. However, in Timor Leste it does not exist yet a unique regulation which classifies the enterprises according to criteria such as number of employees, total assets and total annual sales.⁴⁹

According with its mandate, the MCIA is also the leading body for the promotion of the cooperative sector, in particular in rural areas, and it is requested to coordinate with the Ministry of Agriculture and Fisheries for the development and support of cooperatives operating in the agricultural sector.

MCIA is also responsible for capacity development of cooperatives and micro, small and medium enterprises through provision of technical training on how to establish, manage and run MSMEs and cooperatives. Coordination with IADE for the provision of business training would be particularly important to increase MCIA capacity to organize and deliver effective training for entrepreneurs.

b. The Ministry of Justice, as the main government institution responsible for business registration, plays a crucial role to guarantee that a faster and easier mechanism for business registration is in place and operative, so that potential and existing entrepreneurs can easily start, run and grow their companies by legalizing them.

The recent establishment of the Business Registration and Verification Services (SERVE) One Stop Shop, will definitely contribute to speed up the business registration process and in turn to improve the business enabling environment in Timor Leste.

⁴⁹ World Bank definition for MSMEs, see footnote n. 7. IADE has its own database which includes more than 3,000 enterprises classified according with the number of employees: micro (1 employee), small (2-10 employees), medium (11-50 employees), large (over 50 employees).

The Ministry of Justice should also facilitate the adoption of the Land Law by the Parliament, and once adopted monitor the effective implementation of the law by ensuring that both women and men are guaranteed land property rights.

c. In line with the Timor Leste Strategic Development Plan, which identifies Tourism as a key area for economic development, job creation and income generation, strategic partnership between the private sector and the **Ministry of Tourism** are keys to develop the Tourism sector in the country.

In general the tourism industry not only contributes towards the elimination of poverty of women and local communities, but it provides an excellent basis for the creation of opportunities for women's and men's self-employment in small and medium sized income generating activities. Generally the women's workforce participation rates are higher in tourism sector than in any other industry within a country. Thus it is an area where particular gender needs and obstacles need to be taken into account, such as horizontal and vertical gender segregation of the labour market⁵⁰.

Collaboration of all stakeholders - governments and intergovernmental bodies, local government, industry, trade unions, local communities and their different member groups, NGOs, community based tourism initiatives, etc.- is crucial to increase the positive impact of tourism development whilst safeguarding the natural environment and cultural heritage and increasing social and economic justice.

d. As highlighted in the Program of the Fifth Constitutional Government, "infrastructure development is the driving force of national development." In this area the program includes details about large investments to be undertaken to update, repair, improve or build key infrastructure to enable access to health care services, schools, markets, industries and businesses⁵¹. The **Ministry of Public Works** is the key institution with the mandate and responsibility to develop appropriate policies and measures to promote the development of infrastructure according to women's and men's needs.

In Timor-Leste, the combination of poor infrastructure coverage, high levels of food insecurity, and poor human resource capacity places women and men, and especially rural women, in a highly vulnerable position. The poor and deteriorating road infrastructure restricts women's and men's economic activity and creates additional burdens for women's traditional role of managing household chores. Due to a lack of clean water and sanitation, women spend a disproportionate amount of their time collecting water and fuel while providing care for preventable diseases caused by lack of sanitation and reliable water supplies. The low rate of rural electrification creates further time constraints and greater workloads which in turn prevent women from participating in other productive activities.

Good infrastructure for entrepreneurs leads to better access to services and market and enhanced possibilities of business match-making. Infrastructure development is also fundamental for the tourism sector, in order to make places of interest more accessible to potential visitors and to develop businesses around touristic areas.

⁵⁰ Horizontal occupational segregation can be found where women are being employed as waitresses, chambermaids, cleaners and men as gardeners, construction workers and drivers. The vertical segregation is present in the gender pyramid, where lower level occupations with lower salaries and benefits are dominated by women and the managerial positions or the ones with better career development opportunities are occupied by men.

⁵¹ Chapter 3, Program of the Fifth Constitutional Government of Timor Leste.

e. The majority of Timorese women and men in Timor Leste live of subsistence agriculture and fisheries. Chapter 4 of the Strategic Development Plan concerns Economic Development and stresses that modernizing and diversifying a mostly agriculture-based economy is essential for creating economic opportunities for all the people in Timor-Leste, particularly those residing in rural areas. The **Ministry of Agriculture and Fisheries** is the key institution to develop gender responsive policies and measures related to the improvement of the agricultural sector.

As earlier indicated the livelihoods of over 70% of Timor Leste's population depend directly or indirectly on the agriculture sector. Despite the large number of people involved in agricultural related activities, the sector contributes less than 10% to GDP. Although gender equity and equality is a right as enshrined in the Constitution, there are intrinsically related factors contributing to the poor agriculture performance, the major one being gender disparities. Women working in the agriculture sector have the lowest levels of schooling and highest rates of illiteracy. As a result women remain in subsistence agriculture and when they sell their surplus they make little profit due to lack of market intelligence, market integration, cold storage, no post-processing (jams, etc), poor storage facilities, etc.

Furthermore, women in agriculture lack capacities to participate in agri-business and are employed in lowly paid positions in secondary agriculture.⁵² The above-mentioned factors result in a vicious cycle of poverty that transcends generations.

Women contribute immensely to the agriculture value chain by providing labour for planting, weeding, harvesting and processing, animal husbandry in addition to reproductive activities and community work. They also produce and sell vegetables from home gardens and the income obtained is mainly used for meeting family food, health and education needs. However, this contribution is rarely captured by national statistics. Women's presence in the agriculture sector in Timor Leste is significant: rural women play a vital part in food production and managing rural livelihood. A significant number of these women are not paid for their work, as their contribution is perceived to be part of household contribution. Unpaid female work represents around 70% of the agriculture sector labour force.⁵³

As confirmed by the interviews and focus group discussions conducted with women farmers⁵⁴, women recognize that their capacity to improve technical production processes and expand and diversify their production is constrained by poor recognition of their role as "farmers", their limited range of skills, the difficulties they experience in accessing production materials, equipment, credit, and training; their lack of property and land ownership; and poor representation in community decision-making.⁵⁵

The agriculture sector has great potential for the equal involvement of women and men at all level of the value chain. The challenge is to guarantee women equal access to resources and information, control and power to make decisions within and outside the household, so that they can benefit from any planned interventions and become partners with men for economic development.

f. **The Ministry of State Administration (MSA)** is the government institution responsible for the definition, implementation and coordination of policies and regulations in the area of local governance, decentralization, and rural development at local- level. This includes the development of programmes and measures to reduce poverty in the districts and social and economic inequality among the different regions.

⁵² MAF, Draft gender equality policy, 2009.

⁵³ Ibid.

⁵⁴ Interviews with women's farmers conducted in July 2012 in Maubisse by the ILO-BOSS Project staff in partnership with the Gender Cabinet of the previous Ministry of Economy and Development, in ' Report on Value Chain analysis of the horticulture sector in Ainaro District, Timor Leste, Ikelberg, Jenny and Cormaci, Silvia. ILO-MED, 2012

⁵⁵ SEPI, Gender and Agriculture in Timor-Leste, 2010

In addition to local planning, the Ministry of State Administration plays a crucial role in the coordination of local activities and sharing of information between the local Districts Administrations and national institutions and partners. Its mandate includes the establishment of mechanisms for collaboration and coordination among different government institutions, according with the areas of work. For example, the MSA is now responsible, together with SEPI, for the coordination of the activities of the Gender Working Group⁵⁶ at district level.

The Ministry of State Administration it is the leading institution in charge of promoting the process of decentralization of local administrations, and of creating local municipalities which will have decision making power on management of local activities and related budget. This will facilitate a faster and more effective implementation of interventions aiming to support rural development, such as the management of tenders at local level.

Under the mandate of MSA, the State Secretary for Local Development (*Sekretáriu Estadu Dezenvolvimentu Lokál*) is in charge for the coordination of the program for the development of the Sucos, the Integrated Plan for Districts' Development (*Planu Dezenvolvimentu Integradu Distritál*)- and the Millenium Development Goals Programme at Suco level (*Programa ba Uma Helafatin MDGs*) .

The Secretary of State for Administrative Decentralization (*Sekretáriu Estadu Dezentralizasaun Administrativa*), also under MSA, is responsible for the management of the Program for Decentralized Development (*Programa Dezenvolvimentu Desentralizadu*).

g. The Secretary of State for Vocational Training and Employment Policy (SEPFPOPE) is responsible for the development of policies and measures in the area of employment promotion including self-employment and informal economy workers-, the respect of fundamental principles and rights at work according to national and international labour standards, and vocational training. It is the leading institution with the mandate to ensure that gender equality concerns are included in labour laws and policies and in their implementation, so that both women and men in Timor-Leste can have access to decent and productive work.

In addition to the ILO International Conventions already ratified by Timor-Leste⁵⁷, in the country are already in place a set of standards and domestic rules that consider gender equality at work as a priority: the new Labour Code is a good example, as it includes the principle of non discrimination and equal pay and maternity protection measures.

In line with its commitment to promote gender equality in employment, Timor Leste is also planning to ratify two International Conventions which are keys for gender equality at the workplace: the ILO Convention No. 100 on Equal Remuneration and the ILO Convention No. 111 on Non-Discrimination in Employment and Occupation.

SEPFPOPE is also considering to develop a national gender policy for employment and vocational training. The adoption of a gender and employment policy is key to ensure that men and women in Timor-Leste are given equal opportunities to access decent and productive work, which in turn will contribute to poverty reduction and economic development.

⁵⁶ The Gender Working Group was established by Government Resolution 27/2011 as a gender mainstreaming mechanism. This requires the participation of each ministry and secretary of state at district as well as a National level.

⁵⁷ Timor Leste has ratified 4 ILO Conventions: Forced Labour (C. 30); Freedom of Association and Protection of the Right to Organize (C. 87); Rights to organize and Collective Bargaining (C. 98); Elimination of the Worst Form of Child Labour (C.182)

1.2 Private Sector

The Chamber of Commerce and Industry of Timor – Leste (CCITL) is Timor-Leste’s employers’ organization and Chamber of Commerce and an umbrella organization representing business associations in Timor Leste⁵⁸. CCITL was established in 2010 with the objectives to represent the needs of private sector and in particular of its members in policy, advocacy and representation and to deliver a range of business services to enhance the skills, knowledge and performance of the businesses it represents to achieve private sector growth⁵⁹.

The CCITL aims to be a strategic partner for economic growth to the government as well as a trusted third party for businesses. A functioning Chamber of Commerce and Industry can provide private sector with a united voice representing business needs and aspirations.

According with its vision, the CCITL will develop and deliver a range tailored business services and solutions to assist with private sector growth. This will include the implementation of self-regulatory instruments and processes to assist with the classification of businesses resulting in a strong, viable and competitive private sector⁶⁰.

Through these initiatives, the business community is expected to be able to increase its efficiency and productivity leading to new trade, business & investment opportunities and reduced private sector dependency on public sector spending to sustain its business growth. With the implementation of a number of initiatives targeting business growth, CCITL aims to gradually become a sustainable organization representing the interests of Timor – Leste businesses and also a strategic partner for national development with a key role on Timor Leste’s economic growth. However, notwithstanding its intentions, the CCITL is still facing many challenges to reach its objectives and provide its members with the full services they are aiming to.

⁵⁸ CCI-TL’s member associations and organizations include:

1. Associação Comercial Agrícola e Industria de Timor-Leste
2. Associação Comercial da Comunidade Chinesa Timor Oan de Timor Leste
3. Associação Cooperativa Lanamona Maliana
4. Associação de Barcos Não Solas
5. Associação Empresária Construção Timor-Leste
6. Associação Empresarial das Mulheres de Timor-Leste
7. Associação Empresário Nacional Timor-Leste
8. Associação Empresários Construção Civil Obras Públicas
9. Associação Empresários Timor
10. Associação Nacional de Turismo de Timor-Leste
11. Associação Nacional dos Jovens Empresários de Timor-Leste
12. Associação Popular dos Empresários de Timor-Leste
13. Associação Transporte National
14. Christian Business Man Community
15. Cooperativa Café Timor
16. Cooperativa de Crédito Fini Sorumutu
17. Koperativa Feto Timor-Leste
18. Uniao Nacional de Pequenas Empresas
19. Uniao Nacional Empresário de Timor-Leste

⁵⁹ CCI-TL website: www.ccitl.org.tl

⁶⁰ Ibid.

ANNEX II

JOINT DECLARATION and LIST OF PARTICIPANTS OF THE VALIDATION WORKSHOP FOR THE NATIONAL STRATEGY AND ACTION PLAN ON GENDER AND PRIVATE SECTOR 2014-2017



**Sorumutu Validasaun Planu Estratejiku Nasional no Planu Asaun ba Jeneru
no Setor Privadu 10 Outubru 2010**

Deklarasaun Konjunta

Parte hirak ne'ebe mak hola parte iha **Sorumutu Validasaun Planu Estratejiku Nasional no Planu Asaun ba Jeneru no Setor Privadu** ne'ebe halao iha salaun konferensia SEAPRI, Deklara hanesan tuir mai :

1. Konkorda ho planu estratejiku ne'ebe prepara husi SEAPRI, iha area 5 hanesan : ambiente negosiu, Asesu ba kreditu no asistensia finanseira, Asesu ba Asistensia Dezenvolvimentu Emprezarial (BDS) no Informasaun, Asesu Merkadu no Asesu ba rede formal ba Emprezariu feto sira.
2. Kontinua kolabora iha prosesu preparasaun no implementasaun tuir Organizasaun, Ministeriu no Sekretaria Estadu ida-idak nian kompetensia tuir kondisoens no termu iha Planu Estratejiku.

Deklarasaun ne'e asina iha Dili 10 Outubru 2013.

Deklarantes :

Naran	Instituisaun	Asinatura
Beatriz A. Santos	IADE	
Miguel MB. Fernandes	MAJ	
Maria de Fatima Reis	AGMTL	
Apolinario P. G.	UNDP-INTUSO	
Maria V. Afonso	MAE	

JOSE SABINO XIMENES FUNDAASAUN ALOLA

Josina da Costa EMPRESA DIAK

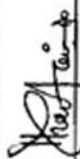
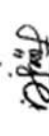

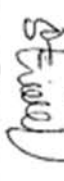
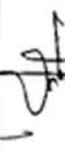



MARELO DA CRUZ C. BNCTL.

Maria M.S. DEDEUS TURISMO/DNPDT

**List Participants of the National Strategy and Action Plan for Gender and Private Sector
2014-2017 on 09 October 2013 2013**

Date : 10 October 2013
 Venue : SEAPRI MEETING ROOM
 Organize by: ILO
 Topic :

Date : 10 October 2013

No	Name	Job Position	Mobile Phone	Signature
1	Maria M. S. De Deus	Turismo / DMPDT	78247900	
2	Adelina J. Fernandes	TURISMO / DMPDT	47355930	
3	Natercia Ximenes	AEMTL / consultant	77475854	
4	Ana Paula Godinho	AEMTL	77333967	
5	Lucia Soares Amarel	AEMTL	77282468	
6	JOSE SARBINO XIMENES	PM. MANANGA ECONOMIC EMPLOYMENT AREA	79275087	
7	Paulo Pereira Marcal da Cruz	Protocolo / SEAPRI	77592125	
8	Jose Luis SIMOES DE G. SOARES	MONAN SEAPRI	77790000	

9	Evânia M. Santos de Silva	Protocolo / Serviço	—	
10	Denia do Carmo	Técnica setor privado	77404408	
11	Maria Fátima da C. Carvalho	MONAY/SEAPRI	70195070	
12	Florentina R. Lopes	rec. setor privado/SEAPRI	77377137	
13	Nivia C. da C. R. Noronha	rec. setor privado	78104812	
14	Emília Monteiro	AMTK	77363403	
15	Miguel M.B. Fernandes	MOJ. OFFICIAL DIRETOR U.	7741063	
16	FERNANDO TORALDO ALVES	BNU - GEN. NAVEGAR	77305068	
17	JOSEPHUS.	S. MARSDI GEN	7730 77341000	
18	Tommy Utomo	Ptambani - BNI	77897117	
19	LOLA DOS REIS	MORIS RASIK MANAGING DIRECTOR	77416824	
20	Roberto Reis	160	77130226	
21	Maria da Sáfina Reis	AEMTL	77241426	

22	Américo	ILU / IADE	78258436	<i>[Signature]</i>
23	Journ da costa	Empresa. Di. aik M60	78244493	<i>[Signature]</i>
24	Carol Stewart	ADB PSDI	7310 5555	CAF
25	Brigido de Souza	ADM / BNCR	77233512	<i>[Signature]</i>
26	Arnauin Sobrs	IADE	77180802	<i>[Signature]</i>
27	Esteris Gutene	Asesor SEPTI	77234501	<i>[Signature]</i>
28	Armando da Costa	SEPI	790702	<i>[Signature]</i>
29	Patty Alleman	USAID / Bangkok		<i>[Signature]</i>
30	Yann F. de FERRIERE	SEPI	77982575	<i>[Signature]</i>

Prepare by:
 Leopoldina Ferreira, Maria Caetano P. Sousa

- 32. Gabriela Leite-Souza
- 34. Sandra Coratino
- 35. Norberto Belo

36. EUGENIA M.D.G. M. TURQUEL

37. Ubalda Alves

38. Maria V. APOKO

39. MARELO CARVALHO

IADE
 -11

- World Bank
- HOP - DUAG - 3331078
- - -
- AEMTL.

SEPT

MAE

BNCR

7807 8469
 78212343

IADE
 -11
 - - -
 - - -

77771117

77297034

77187937

39. Beatriz	A. dos Santos	1408	77120805	771.
40. Rolly	Damaganti	110	77326566	(PUB
41. Apolinario	Gefferes	UNDP	77304035	AP



Supported by:

