



Democratic Republic
of Timor-Leste

NSSP 2021 2030

National
Strategy for
Social Protection

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Foreword

The Social Protection system in our country has been developing gradually since the independence of Timor-Leste in 2002, recognizing a continuous commitment to the construction of a comprehensive, progressively universal and sustainable system.

Social protection is recognized as a right guaranteed by the Constitution of the Republic of Timor-Leste and is understood as a fundamental element of social cohesion and peace, as well as a prerequisite for achieving sustainable and inclusive growth and development. In particular, the social protection system plays a crucial role in eradicating poverty, requiring the mobilization of multiple resources and public expenditure on health, education and social protection, in order to accomplish its objectives.

The State is committed, to the extent of the resources available at national level, to organize an adequate social protection system for all, ensuring extensive coverage including the poorest and most vulnerable, based on an efficient and effective management and coordination of the system in itself.

The National Strategy for Social Protection 2021-2030 materializes the government's commitment to social protection in Timor-Leste, seeking to address the challenges, opportunities and demands in the development of strategic and operational responses, ultimately pursuing the universality of the system. The present Strategy also emphasizes the role that a social protection system can play in supporting current challenges such as crises, natural disasters, pandemics, changes in the professional world and technological advances.

I am confident that the vision and reforms proposed in the present Strategy will lead to profound changes in the well-being of all citizens of Timor-Leste.



Armanda Berta dos Santos

Deputy Prime Minister and Minister of Social Solidarity and Inclusion

Executive Summary

The National Strategy for Social Protection 2021-2030 materializes the Five-Year Program 2018-2023 of the VIII Constitutional Government through interventions that contribute to reduce poverty and vulnerability, ensuring that the results of economic growth benefit all citizens and contribute to inclusive and sustainable social development.

The Strategy builds on the targets set out in Timor-Leste Strategic Development Plan 2011-2030 and the United Nations Sustainable Development Goals which propose to “Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable”. The Strategy is also part of the Strategic Plan of the Ministry of Social Solidarity and Inclusion recently approved for the incoming five years, from 2021 to 2025.

This Strategy aims to continue the efforts undertaken since the independence of Timor-Leste to promote citizens' rights to social security and social assistance, duly enshrined in the country's Constitution in 2002. In turn, strengthening the social protection system effectively and efficiently will increase protection against the various risks and vulnerabilities people may face throughout their lives, including those resulting from emergency situations, ensuring that they overcome their situation of vulnerability with a long-term and sustainable perspective.



The preparation of the National Strategy for Social Protection 2021-2030 was based on the country's risk of poverty and vulnerability profile, socioeconomic context, social protection framework, existing social protection programs and key outcomes. Accordingly, the Strategy presents three objectives:



Each objective contains priority areas of intervention, which include activities contributing to the achievement of the different priorities.

The Strategy foresees the establishment of a National Council for Social Protection (CNPS) and an Executive Secretariat for Social Protection (ESSP) to strengthen intersectoral coordination and ensure the implementation and monitoring of the Strategy by 2030.



Abbreviations and Acronyms

CPLP	Community of Portuguese Speaking Countries
ABND	Assessment-Based National Dialogue
DNGRD	National Directorate General for Disaster Management
NSSP	National Strategy for Social Protection
HCDF	Human Capital Development Fund
PMO	Prime Minister's Office
ICH	Human Capital Index
INSS	National Institute for Social Security
M&E	Monitoring and Evaluation
MACLN	Ministry for the Affairs of National Liberation Combatants
MAE	Ministry of State Administration
MdE	Ministry of Education
MdI	Ministry of the Interior
MdJ	Ministry of Justice
MdOP	Ministry of Public Works
MdS	Ministry of Health
MSSI	Ministry of Social Solidarity and Inclusion
SDG	Sustainable Development Goals
ILO	International Labour Organization
UN	Organization of the United Nations
NSDP	National Strategic Development Plan 2011-2030
GDP	Gross Domestic Product
SPF	Social Protection Floors
RAEOA	Oe-cusse Ambeno Special Administrative Region
R4D	Roads for Development
RDTL	Democratic Republic of Timor-Leste
SAII	Allowance for the Support of the Elderly and Invalids
SEFOPE	Secretariat of State for Vocational Training and Employment
SISCA	Integrated Community Health Service Program

Introduction

The National Strategy for Social Protection (NSSP) 2021-2030 reiterates the commitment of the Government of Timor-Leste to continue the development of social protection through the expansion of the sector, safeguarding the fundamental rights and guarantees of all citizens. Since the restoration of independence, the successive Governments of Timor-Leste have developed a range of social protection programs to support the most vulnerable individuals and families, observing the principles set forth in the Constitution of the Democratic Republic of Timor-Leste.

Articles 56, 57 and 59 of the Constitution establish that all citizens have the right to social security and social assistance, health and education without any discrimination, and Articles 17, 18, 19, 20 and 21 enshrine gender equality¹ and ensure the protection of children, young people, the elderly and people with disabilities.

Timor-Leste has taken significant steps in the construction of citizenship, combining duties to social rights, and protecting vulnerable groups and those living in poverty, as well as all those who work and contribute to the country's development. The investment over the years in a non-contributory safety net and, more recently, the approval of the Contributory Social Security Scheme Law, and its regulation, show an ongoing commitment to create a comprehensive and integrated social protection system for Timor-Leste.

However, there is still a long way ahead to achieve the strategic objectives and targets set out in the Strategic Development Plan (SDP) and the Sustainable Development Goals (SDGs), which propose to "Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable". In April 2015, under the scope of the Community of Portuguese Speaking Countries (CPLP), the Government of Timor-Leste, along with other member countries, reiterated its commitment to design a poverty reduction strategy and a national development plan by 2017.

¹ Timor-Leste has acceded to and ratified several international treaties and conventions that strengthen the constitutional rights of Timorese citizens, including, on 16 April 2003, the International Covenant on Economic, Social and Cultural Rights; the Convention on the Elimination of All Forms of Discrimination against Women; and the Convention on the Rights of the Child: <https://www.ohchr.org/en/countries/asiaregion/pages/tlindex.aspx>

In this context, observing the rights safeguarded by the national Constitution and the international commitments undertaken by Timor-Leste, the Ministry of Social Solidarity and Inclusion (MSSI), in partnership with the International Labour Organization (ILO) as part of the ACTION/Portugal project², developed the National Strategy for Social Protection 2021-2030, based on the ILO Social Protection Floors Recommendation, 2012 (No. 202)³.



² The ACTION/Portugal Project is implemented by the ILO and funded by the Office for Strategy and Planning of the Portuguese Ministry of Solidarity, Employment and Social Security.

³ The ILO Social Protection Floors Recommendation, 2012 (No. 202) establishes a set of nationally defined basic social security guarantees that ensure protection in order to prevent or mitigate poverty, vulnerability and social exclusion. https://www.ilo.org/secsoc/areas-of-work/legal-advice/WCMS_205341/lang--en/index.htm

Chapter 1

Overview of Current Social Protection in Timor-Leste

Social protection is a right enshrined in the Constitution of the Democratic Republic of Timor-Leste, particularly in Article 56, which states that “Every citizen is entitled to social assistance and security in accordance with the law”. In addition, Articles 57 and 59 also guarantee the right of all citizens to both health and education, respectively. Moreover, Article 56 states that “The State shall promote, in accordance with its national resources, the establishment of a social security system”. This responsibility is not limited to the State, and can be shared with other parties, including the Church, institutions of social solidarity, families and communities.

In the years following independence, social protection focused on the resettlement of displaced persons during the 1999 conflict and response to their most immediate needs, mainly using benefits in kind, such as food distribution and support to social solidarity institutions. Since 2002, universal and free systems of healthcare and education have also been established. After the crisis of 2006/2007, the government sought to respond to the claims that triggered the conflict, providing benefits to the population in order to promote peace and social cohesion.

In this context, social protection was gradually developed through a series of programs and measures to address protection needs that have emerged over time; these have, however, revealed some flaws, starting in the design of the policies and extending to the management, implementation, coordination and monitoring of the programs.

The NSSP 2021-2030 aims to foster an integrative progress of the social protection system, in order to efficiently extend its coverage and maximize the impact of social protection on the reduction of poverty and vulnerability, consolidating the fundamental rights and guarantees of all citizens.

Social protection programs have been previously identified in the report “Challenges and ways forward to extend social protection for all in Timor-Leste: Assessment based national dialogue report” published

in 2018⁴. Overall, 26 social protection programs and/or measures were identified, mostly implemented by the MSSI and the National Institute of Social Security (INSS), or other government entities such as the Ministry of Education (MdE), Ministry of Justice (MdJ), Ministry of Public Works (MdOP), Ministry of Health (MdS) and Secretariat of State for Vocational Training and Employment (SEFOPE), and also in close collaboration with the Ministry of Interior (MdI) and the Ministry of State Administration (MAE).

1.1 Socioeconomic Context

Timor-Leste has taken significant steps in expanding social protection and improving the living conditions of the Timorese population. However, multiple challenges still remain, particularly regarding social protection programs' coverage, adequacy of benefits and focus of investments. Thus, the NSSP sets clear objectives and defines priority areas and activities up to 2030, seeking to accelerate and improve protection for all citizens, in line with ILO's recommendation on social protection floors.

Since Timor-Leste's independence, Timorese economy has rapidly flourished, although some fluctuations have been observed, particularly in recent years. Timor-Leste is a low-income country with a non-oil gross domestic product (GDP) of 1231 USD per capita in 2019⁵ (compared to 979 USD in 2002) and a population of approximately 1.2 million people⁶. The median age of the population is 19.6, reflecting a very young country where 39% of the population is between 0 and 14 years old, 53% is between 15 and 59 years old and only 8% is over 60. The country's GDP showed an average increase of 4.7% per year between 2008 and 2018, leveraged by successive increases in public spending, in line with the government's economic strategy⁷.

However, the years 2017 and 2018 were marked by a negative economic growth for the first time in 10 years. Although in 2019 the economic growth showed, once again, a positive trend (1.8%), in 2020 the country experienced an estimated contraction of -7.6% due to the COVID-19 pandemic and delays in the approval of the state's general budget. A new recovery is anticipated in 2021, with an approximate growth of 3.5%⁸. Meanwhile, inflation is expected to remain relatively low at 0.5% in 2020

4 The Challenges and ways forward to extend social protection for all in Timor-Leste: Assessment based national dialogue report was developed under the ACTION/Portugal project and is available in Portuguese and in Tetum languages https://www.ilo.org/jakarta/whatwedo/publications/WCMS_638102/lang--en/index.htm

5 DGE-MF (2020). Timor-Leste National Accounts 2000-2019. DGE-MF: Dili.

6 DGE-MF (2016). General Population Census and General Housing Census 2015. DGE-MF: Dili.

7 RDTL (2020). General State Budget 2020 – Budgetary Overview, Book 1. RDTL: Dili.

8 RDTL (2021). General State Budget 2021 – Budgetary Overview, Book 1. RDTL: Dili.

and 1.1% in 2021, indicating no significant changes in prices, particularly of food items, which could affect the poorest populations.

But economic growth has not been sufficient to reduce poverty levels significantly. According to Timor-Leste Survey of Living Standards of 2014, around 41.8% of Timorese lived in poverty, considering the national poverty line (equivalent to 1.54 USD per capita per day)⁹. Although the situation has improved compared to previous estimates (50.4% in 2007), the incidence of poverty remains high, and alarming situations still subsist throughout the country. The poverty gap¹⁰ also declined from 13.8 to 10.4 between 2007 and 2014, indicating that the improvement in well-being was not limited to individuals living close to the poverty line. Levels of poverty in rural areas largely exceed those of urban areas (47.1% compared to 28.3% in 2014, respectively) and the progress observed in the former has been considerably slower. Disparities between municipalities also prevail, ranging from 29.1% in Dili to 62.5% in Oe-cusse¹¹.

Poverty is also more frequent in children. One in every two children lives with less than 1.54 USD per day. The proportion of young people living in poor households is also high (39.5%). The incidence of child labour is very significant in Timor-Leste (16.1%¹²) and can be considered both a cause and consequence of poverty. This scenario has an impact on the country's development but can also perpetuate the cycle of intergenerational poverty. The situation of child labour often leads to forced labour in adulthood, which represents one of the main obstacles to decent work¹³.

This scenario of vulnerability will probably influence the goals of human capital development that Timor-Leste aims to achieve, threatening the realization of the citizens' fundamental rights and guarantees. Poverty, food insecurity, malnutrition and school failure are all factors which bring numerous challenges to the accomplishment of human development goals. According to the 2020 Global Hunger Index, Timor-Leste ranks second-to-last in a total of 107 countries, unveiling an alarming situation¹⁴. Simultaneously, Timor-Leste's Human Capital Index

⁹ The national poverty line represents the average cost of basic needs, which grew by 84.5%, from 25.14 USD per person per month in 2007 to 46.37 USD per person per month in 2014 (or from 0.84 USD per person per day in 2007 to 1.54 USD per person per day in 2014).

¹⁰ The poverty gap index is a measure of the intensity of poverty. The index estimates the average distance of the poor population to the poverty line. Hence, it is considered as a measure of the intensity of poverty.

¹¹ According to the Timor-Leste Survey of Living Standards 2014, other municipalities also show significant poverty levels, namely Ermera (56.7%), Covalima (53.1%), Bobonaro (51.7%), Manufahi (47.7%), Ainaro (43.2%), Manatuto (43.1%), Liquiça (43%), Viqueque (36.9%), Aileu (35.1%), Baucau (32.6%) and Lautem (32.2%).

¹² ILO (2019), Report on Child Labour in Timor-Leste based on the National Child Labour Survey 2016, OIT/Dili, available at https://www.ilo.org/ipec/Informationresources/WCMS_719346/lang--en/index.htm

¹³ For more information, please see https://www.ilo.org/lisbon/temas/WCMS_650871/lang--pt/index.htm

¹⁴ For more information, please see <https://www.globalhungerindex.org/timor-lestes.html>

(HCI) in 2020 revealed that children born in Timor-Leste could expect to reach only 45% of their potential human capital relative to a benchmark corresponding to complete education and full health¹⁵.

Despite clear improvements, malnutrition in its various forms remains a concern in Timor-Leste. According to the 2020 Food and Nutrition Survey, 47.1% of children under 5 years old see their growth compromised (low height for age – stunting) and 8.6% of children under 5 are excessively thin for their height (low weight for height – wasting). Around 57% of children under 5 years old are not growing as well as expected, and the situation is even more alarming when compared to the Southeast Asia and Pacific region (17% in 2018)¹⁶. According to the 2015 Census, infant mortality rate in children under the age of 5 is 72 deaths per 1000 live births, a much higher ratio compared to the Southeast Asia region (29.9 deaths per 1000 live births). Undernourished children have higher mortality rates, grow smaller and weaker, present a higher risk of developing chronic diseases and tend to get sick more often, which also limits school attendance.

Most probably, malnourished children will see their learning abilities reduced due to cognitive impairment, reducing their productivity and income potential when they reach adulthood. This will have a negative impact on the country's economic growth and, at the same time, will increase the likelihood of developing chronic diseases in the next generations of adults, contributing to the perpetuation of poverty traps. As such, improving children nutrition is crucial to ensure their health, and will have a profound impact on the development of Timor-Leste's human and economic capital.

Regarding the labour market, labour force participation has been increasing and represented 46.9% of the working-age population (individuals aged 15 or older) in 2016 compared to 24% in 2010, according to data from the 2016 Labour Force Survey¹⁷. The participation of younger individuals also evolved positively, from 8.5% to 25.8% between 2010 and 2016, showing the efforts of the economy to accommodate the rise in employment caused by the continuous population growth. However, vulnerable jobs represent approximately 58% of the total employment, and these workers are left in a very vulnerable position, particularly if they are not covered by social protection.

¹⁵ For more information, please see <https://data.worldbank.org/indicator/HD.HCI.OVRL?locations-TL>

¹⁶ UNICEF (2019). The State of the World Children 2019, Children, Food and Nutrition – Growing well in a changing world. UNICEF: Bangkok.

¹⁷ ILO (2019). Timor-Leste Labour Force Surveys 2010-2013-2016 – Main Trends Based on Harmonized Data. ILO: Jakarta. Available at: <https://www.statistics.gov.tl/wp-content/uploads/2019/10/Labour-Force-Survey-2010-2013-2016-english-rev-Aug-19-3.pdf>

Despite the rapid economic growth observed in the last decade, 5.3% of adult workers (aged 25 and older) remain unemployed in 2016, and unemployment rates are higher for women (14.3%) than for men (7.5%). Young people (15-24 years old) show unemployment rates of about 32.9%, six times higher than adults. In addition, around 45% of young people aged 23 and older are neither employed nor studying, indicating that some of them will be either unemployed and or outside the labour force, practicing subsistence farming or waiting for certain conditions to improve in order to return to the formal labour market. Mismatch between skills and labour market demands, lack of access to adequate vocational training, and other aspects, such as gender disparities, are among the main causes behind high unemployment rates, in particular for the above-mentioned groups.

In the case of Timor-Leste, more than 60% of workers are part of the informal economy, i.e., carry out economic activities not covered by any formal employment or social protection structure, with women being one of the most vulnerable groups.

As for education, there have been substantial improvements in access, notably in the first two cycles of basic education resulting in a very high enrolment rate. In 2018, the gross enrolment rate was 111% and 112% in the first and second cycles of basic education, respectively, decreasing to 95% in the third cycle of basic education and to 72% in secondary education¹⁸. The analysis of the net enrolment rate in the first cycle of basic education, which considers only students enrolled in these cycles at the standard school age, was 82.7%, revealing some concerns related to the efficiency of the education system. It is estimated that around 19% of children between 6 and 14 years old are not attending school. At the same time, the low level of pre-school enrolment (22%) falls far from the national targets. The lack of infrastructure has been considered a barrier to access pre-school and secondary education. However, difficulties in providing good quality education, particularly the shortage of qualified teachers and appropriate teaching materials, represent other important obstacles.

Regarding health, the country has shown significant advances related to the rapid increase in the average life expectancy of the population, reduction of infant mortality, reduction of maternal and child mortality and a substantial reduction of malaria cases. However, universal access to quality healthcare services remains a distant reality, mainly due to the lack of infrastructures and qualified human resources.

¹⁸ MdE (2018), Education Sector Analysis in Timor-Leste, MdE: Dili, Dili.

In 2019, there were approximately 8 doctors per 10,000 individuals and 18 nurses and midwives per 10,000 individuals¹⁹. Access to healthcare services is particularly difficult for the population living in remote locations.

Access to reproductive, maternal and neonatal health is still limited. In 2020, only around 51% of women of child-bearing potential (15-49 years old), married or in non-marital partnerships, had their needs met regarding family planning²⁰. The fertility rate in adolescence²¹ was 42 per one thousand in 2015. At the same time, prenatal and postnatal care remain challenging. In 2016, around 77% of women (15-49 years old) attended at least four prenatal visits during their pregnancy but only 35% received postnatal care in the two days after giving birth²². On the other hand, 31% of newborns had access to postnatal care on the first two days after birth. Nevertheless, only 57% of deliveries were attended by a healthcare professional in 2016.

This reality also reflects the lack of access to other essential services such as drinking water, sanitation and electricity, although the situation has been gradually improving throughout the country as a whole. Currently, most households (74.7%) have access to a source of drinking water, but only half (49.5%) use sanitation services²³. Currently, 67% of the population has access to electricity. However, access continues to be reduced in rural areas, exacerbating the existing inequalities between urban and rural contexts. Although sucos (hamlets) and nearby villages, as well as administrative centers, have better access to essential services, the biggest challenge is to ensure that individuals living in more isolated areas can access the same services.

1.2 The Role of Social Protection

Social protection plays a key role in the sustainable development of Timor-Leste, providing the country's progress at social, economic and environmental levels, while contributing to the accomplishment of the Agenda 2030 and SDGs intention to "Leave No One Behind". The existence of a social protection floor, and corresponding social protection programs, is key to preventing and combating poverty, reducing inequalities, improving well-being, mitigating shocks,

¹⁹ Global Health Workforce Statistics, World Health Organization, Geneva at <http://www.who.int/hrh/statistics/hwfstats/>

²⁰ Global Health Observatory, World Health Organization Health Statistics to monitor progress of the Millennium Development Goals at <https://apps.who.int/gho/data/node/home>

²¹ Ratio of the annual number of live births born to women aged 15 to 19 years (young mothers) per 1000 women in the same age group that year.

²² UNICEF data at <https://data.unicef.org/country/tls/>

²³ General census of the Population and Housing of Timor-Leste in 2015 at <https://www.statistics.gov.tl/wp-content/uploads/2016/11/Wall-Chart-Poster-Landscape-Final-English-rev.pdf>

strengthening social cohesion and peace, promoting social stability and fostering an inclusive economic growth. For all these reasons, social protection should be understood not as a cost or burden for the State and taxpayers, but as an investment in society and in the prosperity of the nation.

Social protection programs, particularly those involving cash benefits and direct job creation, imply a transfer of income from the State to the poorest and/or most vulnerable citizens and families, which should be seen as a productive investment. International experience shows that individuals and families benefiting from social protection programs have a higher inclination for immediate consumption, with a potential impact on improving their own well-being and stimulating the local economy. Increasing demand for certain goods and services can serve as an incentive to expand production and job creation. In addition, monetary benefits can facilitate citizens' access to education, health and nutrition and, if they are regular and predictable, can also positively influence the accumulation of the human capital needed for socioeconomic progress.

The effects of climate change are starting to become evident in Timor-Leste, as shown by the increasing frequency of natural disasters. Social protection can also play a role, supporting citizens to become more resilient and identifying strategies to help them cope with such shocks that occur at a larger scale compared to normal life contingencies.

The above-mentioned effects of social protection may be even more pronounced in Timor-Leste due to a number of specificities of the Timorese economy. Literature on tax multipliers²⁴ suggests that these tend to be higher in countries where: i) individuals make decisions based on short-term projections due to economic instability; ii) monetary policy is less effective; iii) automatic stabilizers are more reduced; iv) public debt is lower; v) interest rate schemes are less flexible. It is questionable that all these conditions apply to Timor-Leste, but the fiscal multiplier tends to be higher in Timor-Leste comparing to other countries. This means that every dollar used by the government will have a more pronounced effect on the rest of the economy²⁵.

²⁴ The theoretical basis for the definition of tax multiplier was established by John Maynard Keynes, who defines tax multiplier as the quotient between the variation in national income and the unitary variation of the tax policy instrument that originated it. Thus, the multiplier translates into an indicator able to capture the effectiveness of a policy (in this case, social protection). The tax multiplier has a reference value of one when an increase in public expenditure leads to a proportional increase in national income. A multiplier greater than one means that an increase of one US dollar in public spending leads to an increase in private spending and income greater than one US dollar. This implies that the change in public expenditure has a more than proportional effect on national income. For example, if the tax multiplier is 1.3, this means that for every 1 USD spent by the State, there is an increase of 1.30 USD in national income. The difference (0.30 USD) is usually called a multiplier.

²⁵ Factors that can work against include inefficiencies in public investment and the fact that Timor-Leste is a small economy. Other factors normally associated with lower tax multipliers do not apply to Timor-Leste.

The tax multiplier also tends to be higher when the economic growth is lower. Thus, social protection can play a role as an automatic stabilizer, using social cash transfers to support individuals and families who have seen their income and consumption decrease and, at the same time, influence the growth of national economy and employment.

1.3 Social Protection Overview

In Timor-Leste, social protection is a right enshrined in the national Constitution, particularly in Article 56, which states that “Every citizen is entitled to social assistance and security in accordance with the law”.

Social protection is also internationally recognized as a human right in the Universal Declaration of Human Rights²⁶ and in several international policy instruments²⁷, including ILO conventions.

In conceptual terms, social protection refers to a set of public policies with the primary objective of protecting people, including the poorest and most vulnerable, and to ensure minimum standards of well-being. In this sense, social protection aims to:

- Protect people from life-long socioeconomic risks;
- Protect people against risks of covariate shocks;
- Prevent and fight poverty;
- Ensure that people can meet their basic human needs;
- Ensure that people have access to essential social services and enjoy the right to health and education²⁸;
- Ensure that everyone has a minimum income that allows them to live with dignity;
- Contribute to social peace;
- Contribute to economic development²⁹.

²⁶ The Universal Declaration of Human Rights (1948) states that: “Everyone, as a member of society, has the right to social security and is entitled to realization (..) of the economic, social and cultural rights indispensable for his dignity and the free development of his personality.” (Article 22); “Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services, and the right to social security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control.” (Article 25)

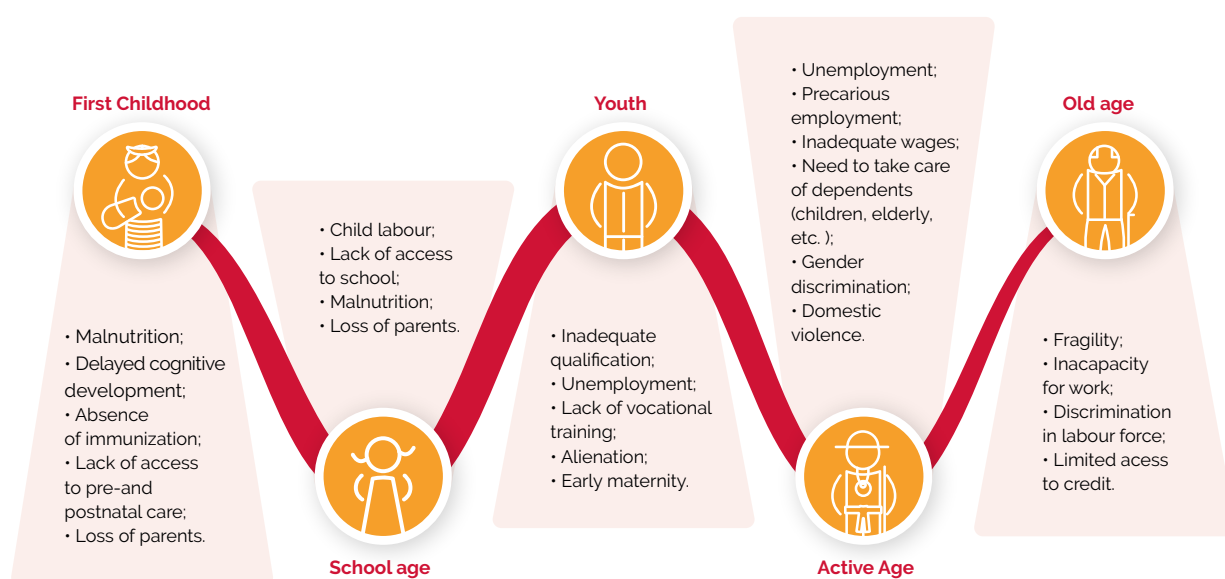
²⁷ The right to social protection is also provided for in the International Covenant on Economic, Social and Cultural Rights (PIDESC, 1966), adopted by the United Nations and ratified by Timor-Leste (Resolution of the National Parliament No 8/2003 of 17 September 2003): “The States Parties to the present Covenant recognize the right of everyone to social security, including social insurance. (social security/contributory social security)” (Article 9 PIDESC).

²⁸ Such as healthcare, education, reception centers, homes and day-care centers for the elderly or for children, educational centers, social-community centers, etc.

²⁹ By ensuring a minimum level of income, social protection helps to stabilize consumption and demand, promoting business development and economic growth.

Assuming that the risks and conditions of individuals change throughout their lives, social protection must adapt to ensure adequate protection at each stage. This means understanding the multiple risks and needs of the population at each life stage and age group, while trying to propose and/or adjust social protection policies and programs. Figure 1 presents a summary of the main social and economic risks to which people are exposed throughout their life cycle.

Figure 1:
Life-long socioeconomic risks



Social protection may also have to respond to covariate shocks, such as those resulting from natural disasters, economic and pandemic crises, in addition to the traditional function of protecting against idiosyncratic shocks arising from the various socioeconomic risks throughout life. This requires adapting the system as a whole, and also regular social protection programs, to deal with the unexpected consequences from shocks affecting a large number of people simultaneously. On one hand, the social protection system can help prevent such shocks by improving the resilience of individuals throughout their life cycle so they can respond better to multiple shocks, and also by strengthening the social protection system and partnerships that help to prepare for emergency response. On the other hand, the social protection system can provide immediate support to the most vulnerable population after a shock has occurred, assuming that social protection can complement other humanitarian interventions.

Social protection in Timor-Leste includes both a contributory scheme and a non-contributory scheme, through which benefits in cash and/or benefits in kind are provided. The contributory scheme was approved by Law No. 12/2016 of 14 November 2016, and is characterized as a single scheme for all, integrating the beneficiaries of the transitory regime, mandatory, self-financed, financially independent from the government budget, largely managed on a distribution basis, also including a component of public capitalization for stabilization, and based, among others, on principles of intra- and intergenerational solidarity. The creation of the new contributory social security scheme enables the combination of rights and duties, for the establishment of complete citizenship, and provides social protection across various life situations (work accident, maternity, paternity and education, disability, old age and death), under the general condition of observing contributory obligations.

The non-contributory scheme includes a number of social protection programs providing benefits in cash and/or benefits in kind, aiming at reducing certain vulnerabilities and combating poverty. This scheme is financed by the State's general budget, in particular through oil revenues.

Although the Basic Law on Social Protection is still being studied and prepared, it is possible to identify a trend to strengthen essential components of social protection measures that have been approved and implemented over time by the Government of Timor-Leste, especially within the scope of the MSSI and legal bodies under its custody and, in some cases, within the scope of action of other government entities.

Thus, at the level of social security, a contributory scheme was approved to "protect workers and their families in situations of loss of income from work identified in the Law"³⁰. The contributory scheme is specifically aimed at those who work and contribute and is financed by contributions from employees and their employers. Social security takes the form of cash benefits and essentially serves the purpose of compensating/replacing the loss of income from work in certain situations (maternity, death of a family member supporting the family, old age, incapacity, etc.). The aim is therefore not to tackle poverty, but to prevent it, as it allows workers to secure a minimum level of income, replacing the income obtained from work, and allowing them to maintain their capacity to consume.

³⁰ Law No. 12/2016 of 14 November 2016 establishing the Contributory Social Security Scheme, Articles 1(1) and 2(2).

It is also worth noting the existence of State-funded benefits (non-contributory) aimed at protecting those who are not covered by the contributory scheme, by guaranteeing the right to an adequate standard of living. It is also clear that there are non-contributory allowances to protect individuals and/or families extremely vulnerable and/or in a situation of poverty, in order to improve their well-being and/or escape poverty. Social assistance may take the form of benefits in cash and/or in kind, granted conditionally or unconditionally.

Social protection also aims to ensure access to essential health and education services and social support or reintegration (foster homes, nursing homes, day-care centers, etc.) for the general population. Although these services are financed by the State's general budget, citizens may sometimes contribute to the costs, for example through the payment of fees. These services may also be public services provided directly by the State and/or provided by third-party institutions and co-funded by the State.

Under the present Strategy, only social services provided directly by the MSSI and programs aimed at removing access barriers to essential services subordinated to other ministries are considered. For example, the provision of vocational training services has been considered as social protection as it promotes access to these services (removes barriers such as costs, distance or others), and not because of the service in itself. The same logic applies to education, health, prevention and response to natural and other disasters.

Finally, the need to recognize social protection and employment as mutually reinforcing sectors should be stressed, given their importance in people's well-being and on national development. Both sectors are key to ensure decent work for all. Employment is essential to generate the opportunities necessary for investment, entrepreneurship, training, job creation and enabling a sustainable livelihood. However, it does not create all the conditions for achieving these objectives in itself, as basic social services related to health, education, water and sanitation, food security, and other areas defined as national priorities, still need to be available and accessible. Therefore, an integrated approach is required to increase employability, facilitate socioeconomic mobility and thus generate higher levels of income and social protection, with particular focus on the most vulnerable.

1.4 Current Social Protection Programs

The Timorese social protection system offers a wide range of social protection programs to meet various objectives ranging from protecting people from various socioeconomic risks throughout their lives, preventing and combating poverty, mitigating shocks, supporting the development of human capital and the access to essential services, to promoting peace and social cohesion.

The most recent analysis carried out by the MSSI, with the support of ILO and the UN³¹, identified approximately 26 social protection programs in Timor-Leste. In addition to their various objectives, these programs also differ in terms of coverage, adequacy and budget.

Table 1 summarizes the Social Protection system in Timor-Leste, promoted by the State, and is followed by a brief description of each program/benefit.

³¹ UN/ILO/MSS (2018). Challenges and Recommendations for the Extension of Social Protection for All in Timor-Leste: Evaluation-Based National Dialogue Report. Dili. UN/ILO/Ministry of Social Solidarity.

Table 1:
Social Protection programs/benefits in Timor-Leste

Under the scope of MSSJ and INSS		Under the scope of other Ministries
Contributory	Non- contributory	
General Social Security Scheme: Old age Pension (Retirement pension) Invalidity Pension (absolute/relative) Survivor's Pension Death Benefit Maternity Allowance Paternity Allowance Adoption Allowance Clinical Risk during Pregnancy Allowance Pregnancy Interruption (abortion) Allowance	Allowance for the Support of the Elderly and Invalids (Subsídio de Apoio a Idosos e Inválidos – SAI) Mother's Allowance (Programa Bolsa da Mãe) Support to Individuals and Families in Vulnerability Recovery of Victims of Natural Disasters and Social Conflicts Children in Conflict with the Law Support to Victims of Gender-Based Violence and Domestic Violence Social Reintegration of Previously Incarcerated Persons Funeral Services	Access to Education: School Feeding in Pre-School and Primary School (Programa Merenda Escolar) Scholarship for the Children of the National Liberation Combatants and Martyrs Access to Health: National Health Care System Essential Newborn Care Reduction of Child Mortality and Morbidity Child Nutrition Vulnerable Patients Integrated Community Health Service (Serviço Integrado de Saúde Comunitária – SISCA) Health in the Family Health Care for National Liberation Combatants Immunization program Access to Employment: Rural employment Roads for Development

1.4.1 Social Security (contributory scheme)

The **General Contributory Social Security Scheme** (Law No. 12/2016 of 14 November 2016), which entered into force in 2017, replaces the transitory scheme, representing a major step forward in the progressive organization of a social security system in Timor-Leste. The purpose of the General Scheme is to protect workers from work-related risks, by offering income replacement if the worker faces any of the contingencies covered by the scheme. The scheme targets all employees, in public and private sectors, who pay contributions based on their respective wages (and shared between employee and employer), and then confers each employee the right to receive social benefits proportional to the wage and length of the contributory career.

The scheme includes pensions for old age, invalidity and survivors, allowances for maternity/paternity/adoption and work accidents.

The **Transitory Social Security Scheme** (Law No. 6/2012 of 29 February 2012) is a temporary measure established while the general social security scheme had not entered into force. Its aim is to replace the income of civil servants in situations of old age, incapacity and death, and offers pensions proportional to the wage and length of the contributory career. When the new general contributory social security scheme entered into force, the transitory scheme stopped conferring new rights and was integrated into the new scheme, without prejudice to the acquired rights or future entitlements of the beneficiaries of the transitory scheme.

1.4.2 Non-Contributory Scheme

The **Allowance for the Support of the Elderly and Invalids** (Subsídio de Apoio a Idosos e Inválidos – SAll) (Decree-Law No. 19/2008 of 19 June 2008) is non-contributory by nature. The SAll targets two populations: (i) citizens aged 60 or older and (ii) citizens aged 18 or older who are unable to work due to disabilities. The program aims to ensure a minimum income for citizens not covered by other old-age or invalidity pensions.

The program **Mother's Allowance** (Bolsa da Mãe) (Decree-Law No. 18/2012 of 4 April 2012) was created to provide support to the most vulnerable families with children, through cash transfers, provided that certain conditions related to the development of the child's human capital are met. Vulnerability is measured taking into account following variables: (i) annual income per capita, considering different income ranges; (ii) number of children; (iii) situation of single-parent family; (iv) existence of children with disabilities, attributing different weighting factors when there is one child or two or more children with disabilities. The conditionalities state that to be entitled to the benefit, children aged 6-17 years must be enrolled and attending school, and children up to 6 years of age must receive compulsory vaccination and perform two medical check-ups per year. The program allocates a cash benefit of 5 USD per child per month up to three children, thus providing a maximum benefit of 15 USD per household with children.

The **Support to Individuals and Families in Vulnerability** was created as a support for individuals or families facing situations of extreme temporary vulnerability and who are not covered by other social

protection programs. This support acts as an emergency response, offering cash transfers to solve or alleviate the problem immediately. The one-time cash benefit ranges from 200 to 500 USD, according to a vulnerability assessment performed by a social worker.

The support program for the **Recovery of Victims of Natural Disasters and Social Conflicts** consists of support to people and households affected by natural disasters, in order to respond to immediate needs and mitigate material loss and damage. This includes a one-time cash benefit ranging from 150 to 368 USD for labour and material costs, as well as in-kind support, which includes construction materials to support the recovery of the damaged dwelling as well as food and other basic household items. On certain occasions, such as drought, rice is distributed in the affected regions to prevent hunger.

The **Children in Conflict with the Law** program seeks to support reintegration into society of children who were in conflict with the law, offering financial assistance for child welfare or to support the young person to attend a vocational training program. The intervention covers children between the ages of 9 and 13 and is carried out directly with the child's family by a social worker, who encourages the family to draft a plan for the child's well-being and development. Support is also given to young people between the ages of 14 and 21 upon leaving the detention center, after serving a term of imprisonment. This program allocates a one-time cash payment ranging from 100 to 200 USD, according to a vulnerability assessment carried out by a social worker.

The program of **Support to Victims of Gender-Based Violence and Domestic Violence** provides support in cash and in kind to women and children victims and survivors of domestic violence and gender-based violence, to enable them to restructure their lives away from the abusers. Benefits range between 50 and 1,500 USD depending on the case: (i) 50 USD for immediate needs of women and dependent children; (ii) 100 USD at the end of legal proceedings to facilitate reintegration in the community; (iii) up to 100 USD to cover the victim's travel expenses during legal proceedings; (iv) up to 300 USD for women who have been abandoned by their partners; and (v) up to 1,500 USD for long-term legal proceedings. In-kind support is provided through: (i) psychological support and counselling; (ii) shelter for women at continuous risk and no other option; and (iii) legal support.

The **Social Reintegration of Previously Incarcerated Persons** program (Decree-Law No. 14/2014 of 14 May 2014) provides support to men,

women and young people under the supervision of prison services and former vulnerable prisoners after serving a sentence in prison.

The program aims to facilitate the reintegration of former prisoners into their family and community, improve their professional qualifications and support their livelihood in the first weeks of freedom. The program provides: (i) an annual cash payment of 120 USD for the family of the prisoner to carry out an annual visit; (ii) a one-time cash payment of 350 USD at the end of the prison sentence; (iii) a one-time cash payment to support transport back to the individual's municipality of origin, of variable amount, depending on the distance to be travelled. The program also offers services related to professional training in different areas and psychological and social support.

The program **Funeral Services** (Decree-Law No. 21/2009 of 6 May 2009) support grieving families by providing funeral transportation from the morgue to the family house, from the house to the church, and from the church to the cemetery.

It should be noted that there are other programs providing social services indirectly supported by the State. These consist of support given to Social Solidarity Institutions providing services targeting people in poverty and vulnerable groups, such as street children, orphans, women and children who are victims of violence and abuse, poor children and young people, the elderly, former national liberation combatants and people with disabilities.

1.4.3 Access to Education and Healthcare Services

The provision of education and healthcare services reduces the barriers citizens face when accessing essential services. Such services can be provided for example through financial or transportation support, ensuring access to the most vulnerable. In Timor-Leste, basic education, vocational training and healthcare services are universal and free of charge.

The **School Feeding** program (Merenda Escolar) was developed with the goal of improving children's nutrition and encourage their integration in pre-school and basic education, promoting teaching and learning processes. The program includes public and private schools, allowing every child to receive a meal during their time in school. Each school receives 0.25 USD per child and per school day. The program also provides the distribution of rice to each primary school. The benefit

is indirectly delivered to the child through the school manager, who manages the budget in collaboration with the Parents and Teachers Association, to ensure the daily supply of the meals.

The **Scholarship for the Children of the National Liberation Combatants** (Decree-Law No. 8/2009 of 15 January 2009) was created to support the children of former national liberation combatants and martyrs to have access to education and covers the cost of education from primary school to technical and university education.

The program of **Essential Newborn Care** targets newborns and offers a package of services aimed at reducing mortality in the first months of life. The package includes mother and baby vaccines, pre- and postnatal care, advice on breastfeeding and baby nutrition. The benefits are delivered directly to the mother at the time of medical appointments and during home visits carried out by family care program teams.

The **Reduction of Child Mortality** program was developed to expand coverage and ensure the quality of preventive and curative health services in early childhood in order to reduce infant mortality. The program provides a package of benefits in kind, including vitamins and medicines against parasites. The benefits are delivered through the Health in the Family program, which provides home care services in the communities.

The main objective of the **Child Nutrition** program is to reduce the incidence of micronutrient deficiency related to poor nutrition in children. The access to a package of services delivered directly to the families is ensured via medical appointments or through Health in the Family or SISCA programs.

The **Vulnerable Patients** program provides financial support to families of vulnerable patients, so that family members can accompany the patient during the period of hospitalization at the hospital or health center (when the patient and family live in a distant location from the healthcare facility). The support aims to avoid excessive spending by vulnerable families to accompany the patient during treatment or in cases of terminal illness, and offers financial support to cover travel and food expenses, and to assist in the patient's recovery upon discharge from the health center or hospital.

The services of the **National Health Care System** are free of charge for all citizens in public healthcare facilities. In 2017, there were 6 hospitals, 192 health posts, 92 community health centers and 43 maternities in

Timor-Leste, operated by 1,535 healthcare professionals (including doctors, nurses and midwives). The services comprise basic, specialized and emergency healthcare, as well as the provision of medication, physical exams and laboratory tests.

The **Integrated Community Health Service** (Serviço Integrado de Saúde Comunitária – SISCA) program aims to bring healthcare services closer to communities through a “basic package” taken to each suco on a monthly basis. The service is prepared as a small “health market”, where visitors can have access to different types of services in a single close-by location, without traveling to distant health centers or hospitals. Through these actions, communities receive general healthcare services including medical consultations and education on health and hygiene, with special attention to children up to 5 years of age, pregnant women, teenagers of childbearing age, elderly and people with disabilities. These groups are offered numerous services, such as birth registration, nutritional assessment and health education.

The **Health in the Family** program ensures home visits in order to extend the coverage of health services, identify health conditions and risk factors of each family, and offer preventive and curative care, including medication and food supplements. The service also includes a strong educational component and is aimed at contributing to the construction of a single registry database for all levels of healthcare.

The **Health Care for National Liberation Combatants** program supports medical treatment abroad (Indonesia, Malaysia and Singapore) for national liberation combatants, in cases that cannot be treated in Timor-Leste.

The **Immunization** program offers a basic package of vaccines for children (against tuberculosis, measles, polio, tetanus, diphtheria, hepatitis B, Haemophilus influenzae type B and pertussis) in the first years of life. Vaccines are distributed directly to public health facilities, as well as through the SISCA program.

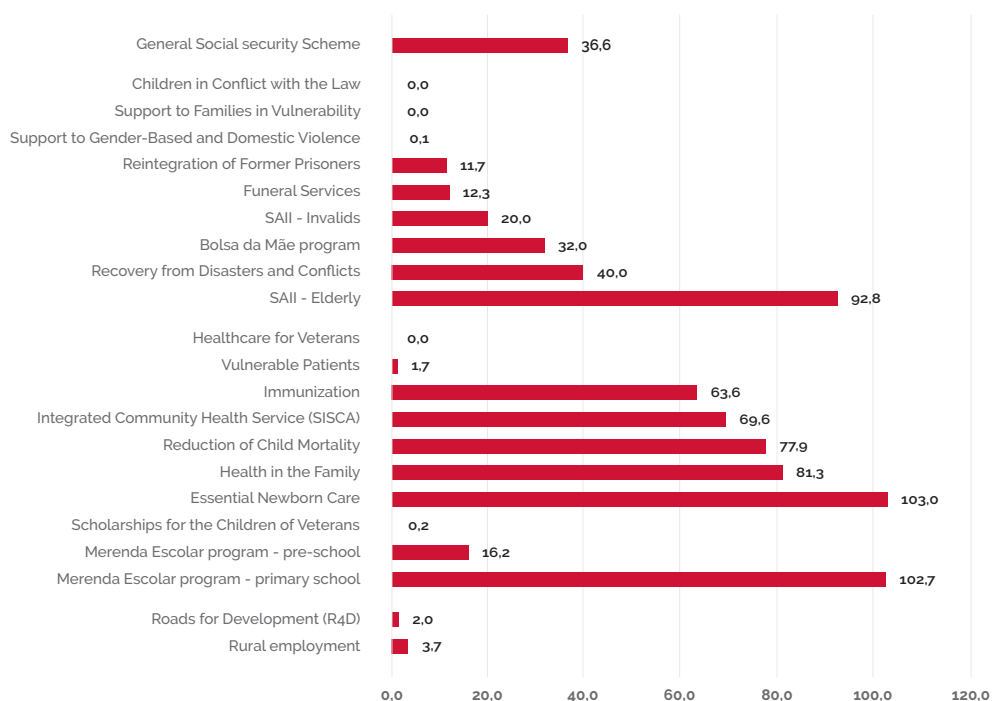
1.5 Main Results

Although there are clear commitments to social protection in Timor-Leste, social protection programs do not yet operate in an integrated and efficient way, which is reflected in the progresses achieved.

1.5.1 Effective Coverage

In Timor-Leste, the effective coverage³² of social protection programs varies significantly between programs, as shown in Figure 2 below. Some programs have an almost universal coverage, such as the SAIL for the elderly, or cover a substantial proportion of the target population, for example SISCA with a coverage of 70%. However, most social protection programs still have a very low coverage, as is the case for most social assistance programs.

Figure 2:
Effective coverage of social protection programs in Timor-Leste



Source: MSS/ILO/UN (2018), *Challenges and Ways Forward to Extend Social Protection to All in Timor-Leste: Assessment-Based National Dialogue Report*, ILO: Dili.

World Bank estimates³³ for 2019 show that the coverage³⁴ of the Bolsa da Mãe program covers around 29% of the lower-income population, leaving out the vast majority of the poorest population. At the same time, the analysis of the current beneficiary's distribution by income

³² Proportion of population effectively covered by the social protection system, including social protection floors, i.e., people covered expressed as a percentage of the respective target group. The measurement of effective coverage allows the monitoring of Sustainable Development Goals Indicator 1.3.1: 'proportion of population covered by social protection floors/systems, by sex, distinguishing children, unemployed persons, older persons, persons with disabilities, pregnant women, newborns, work-injury victims and the poor and the vulnerable.'

³³ World Bank (to be published), *Review of Social Protection in Timor-Leste*. World Bank: Dili.

³⁴ Percentage of beneficiaries (direct and indirect beneficiaries) covered by the program out of the total population.

quintile³⁵ shows that 33% of beneficiaries are in the 20% lower-income group (first quintile), 25% in the second quintile, 22% in the third quintile and 14% in the higher-income group (fifth quintile).

The COVID-19 crisis uncovered the importance of continuing to invest in social protection and universal healthcare access to protect the health, employment and income of individuals, also revealing some weaknesses and gaps in the existing protection. In this context, the most vulnerable populations are even more exposed to the consequences of crises. Like other countries, Timor-Leste has also introduced temporary social protection measures to respond to the impact of the pandemic crisis³⁶.

1.5.2 Adequacy of Benefits

In addition to coverage, the scope and adequacy of social protection are key to achieving SDG1, eradication of poverty. Timor-Leste continues to face challenges to ensure full and adequate protection.

The level of cash benefits should be enough to guarantee at least a minimum level of well-being, which depends not only on the level of income but also on the access to other social benefits and public services³⁷.

The general social security scheme offers a range of benefits, which depend on wages and contribution time. Compared to the international experience, the calculation formulae used for the current benefits translate into generous benefits. Old-age, incapacity and survivors' pensions are designed to replace 100% of the secured income. For example, for old-age, invalidity and survivors' pensions, ILO Convention No. 128 and Recommendation 131 states that the level of benefit should be at least 40% of the reference salary, considering that the amount should be updated to accommodate changes in the overall level of wages and/or cost of living. However, the general social security system does not cover yet all the contingencies that ensure protection throughout all stages of life.

³⁵ In terms of income statistics, quintiles are used to show how the income of the whole population or a subgroup is distributed, in this case the beneficiaries of Bolsa da Mãe program. Thus, the population or subgroup is divided into five equal parts according to the level of income: the first quintile includes the first fifth of the population on the income scale (i.e. the 20% of the population with the lower income or the poorest 20%), the second quintile corresponds to the second fifth (20% to 40%), etc., the fifth quintile represents the 20% of the population with the higher income (or the richest 20%).

³⁶ See Meeting of the Council of Ministers on March 24th, 2021: Available at <http://timor-leste.gov.tl/?p=27350&lang-pt>

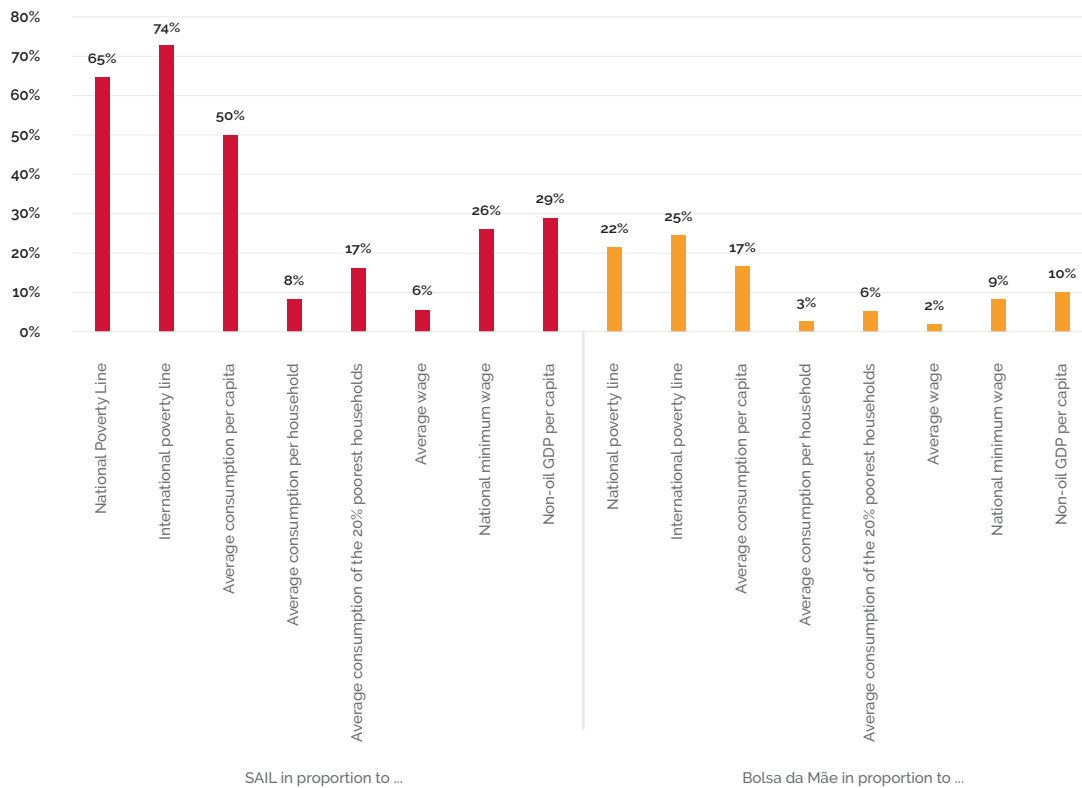
³⁷ Annex III – Minimum requirements in ILO social security standards – of the ILO World Social Protection Report 2017-19, also sets other minimums requirements for several types of benefits. This Report is available at: https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_604882.pdf

Under the non-contributory system, the SAI and the Bolsa da Mãe programs have fixed levels of benefits. Figure 3 shows the adequacy of these benefits according to several economic indicators. Regarding SAI, the benefit represents around 65% of the national poverty line, around 8% of the average household consumption and 17% of the average consumption in the poorest households, highlighting its potential to contribute significantly to improve the level of well-being of the most vulnerable population. However, the amount of the benefit has not evolved to maintain purchasing power and has remained constant since 2010.

As for the Bolsa da Mãe program, the allowance represents a small fraction of the majority of the indicators to which it was compared. It represents only 22% of the national poverty line, 3% of an average household consumption and 6% 17% of the average consumption in the poorest households. The amount of this benefit still falls short of the international recommendation to cover at least 15-20% of expenses per capita³⁸. In addition, ILO Recommendation 102 also indicates a minimum amount for benefits targeting families/children, with the value of benefits calculated at least 3% of the reference wage multiplied by the number of children covered; or at least 1.5% of the reference wage multiplied by the total number of children of all residents.

³⁸ World Bank (2015). Policy Note, Assessing the Bolsa da Mãe Benefit Structure – A Preliminary Analysis; WB: Dili. Available at: https://socialprotection.org/sites/default/files/publications_files/Bolsa%20da%20Mae%20Policy%20Note_FINAL.pdf

Figure 3:
Adequacy of the SAIL and the Bolsa da Mãe programs



Source: ILO/MSSI calculations based on the following data sources: National Accounts 2000-2019 to obtain non-oil GDP per capita; Timor-Leste Survey of Living Standards 2014 for national and international poverty lines (46.37 USD per capita per month and 40.45 USD per capita per month, respectively), average monthly consumption (60 USD per capita, 30.3 USD per capita in the 20% poorest subgroup and 360 USD per household); Labour Force Survey 2013 for the average monthly salary (530 USD) and national minimum wage (115 USD).

1.5.3 Investment in Social Protection

According to the analysis carried out by MSS/ILO/UN (2018) the social protection programs referred to in the previous section amounted to an investment of approximately 212 million USD in 2015, equivalent to 15.5% of non-oil GDP or 8% of oil GDP³⁹. This also represented an average investment of 179.45 USD per capita.

The resources invested differ significantly by age group, according to the same source. They are strongly concentrated on the older

³⁹ These estimates will be updated by the technical working group to be established under the scope of the present Strategy.

population, as this group tends to lose work capacity and income potential, and therefore has a greater need for income security. Resources for early childhood are relatively low, especially considering that any investment at this stage generates higher returns throughout life. Although they increase slightly during school age, the resources decrease again for most of the working age. The solution is not to reduce investments in the elderly, but to increase the resources targeting children.

Although it is necessary to update the data related to public expenditure on social protection, it is possible to briefly analyze the evolution of the General State Budget (GSB) for social sectors (Figure 4), showing how national resources have been allocated to the different sectors.

Regarding the MSSI, budget increases between 2010 and 2017 were mainly driven by expenditure on veterans, which accounted for 62% on average of the total budget during that period⁴⁰. In 2018, a Ministry for the Affairs of National Liberation Combatants (MACLN) was created and therefore these expenses were no longer included in the MSSI budget. The MSSI budget increased from around 53 million USD in 2018 to 65.6 million USD in 2021, representing a nominal increase of 24% over that period.

Both MdS and MdE budgets increased by around 51% between 2010 and 2021, even though they showed variations during the period under review. The MdS budget increased from 37.5 million USD in 2010 to 56.7 million USD in 2021. It is worth noting that the budgets approved for both sectors reached their maximum amounts in 2016 for the MdS (103.2 million USD) and in 2014 for the MdE (116.3 million USD).

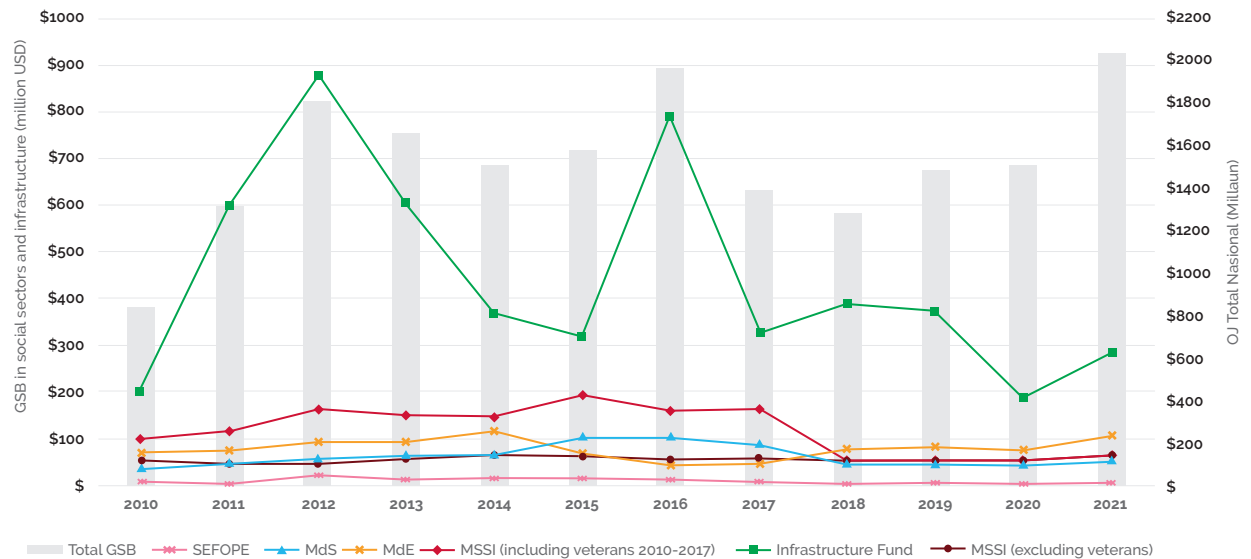
On the contrary, SEFOPE's budget decreased between 2010 and 2021 but with significant variations during the period considered. In 2021, a budget of 5.9 million USD was approved, lower than the 2010 budget of 10 million USD. The maximum approved budget for SEFOPE was 22.2 million USD in 2012.

Meanwhile, budgets for investment in infrastructures have been quite high over recent years, reflecting one of the main national priorities. The Infrastructure Fund increased by 36% between 2010 and 2021, but with significant variations during this period.

⁴⁰ In 2018, a Ministry for the Affairs of National Liberation Combatants (MACLN) was created and therefore expenses were no longer included in the Ministry of Social Solidarity budget. For comparative purposes, the parcel targeting veterans between 2010 and 2017 was excluded.

Figure 4:

Evolution of the General State Budget, selected items, in million USD, 2010-2021



Source: General State Budget 2010-2021, based on the data available on the Timor-Leste Budget Transparency Portal <http://www.budgettransparency.gov.tl/public/index>

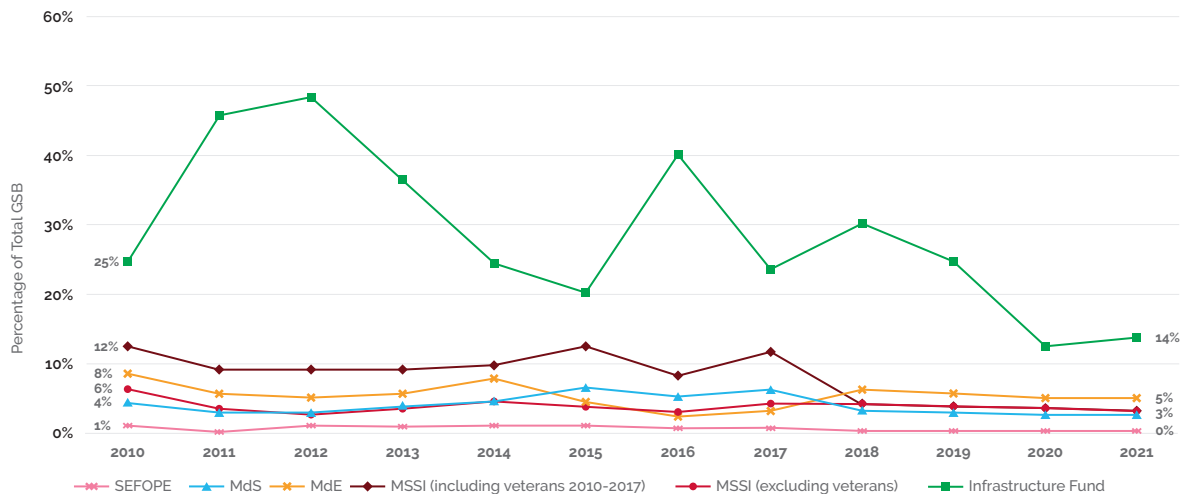
Note: (1) The budget for infrastructures includes only the amount approved under the Infrastructure Fund; (2) The MSSSI budget between 2010 and 2017 includes the budget allocated to veterans. As of 2018, the Ministry for the Affairs of National Liberation Combatants (MACLN) has been established; (3) The MSSSI budget includes the Social Security Budget (excluding the Contributory Capitalization Scheme) between 2017 and 2020.

However, it should be noted that the social and infrastructure budget, as a proportion of the total national budget, decreased between 2010 and 2021. In 2021, the MSSSI budget represents 3% of the total national budget, 9 percentage points lower⁴¹ than the approved budget in 2010. In 2021, the MdS budget represents 3% of the total national budget, 1 percentage point lower comparing to 2010. The MdE budget represents 5% of the national total, 3 percentage points less than in 2010. The infrastructure budget as a percentage of the total national budget decreased significantly (11 percentage points) between 2010 and 2021, but remains a significant share of the total budget in 2021 (14%) compared to social sectors which do not exceed 5%.

⁴¹ Or 3 percentage points lower comparing to 2010, excluding the budget allocated to veterans between 2010 and 2017.

Figure 5:

General State Budget, selected items as a percentage of the total national budget (%), 2010-2021

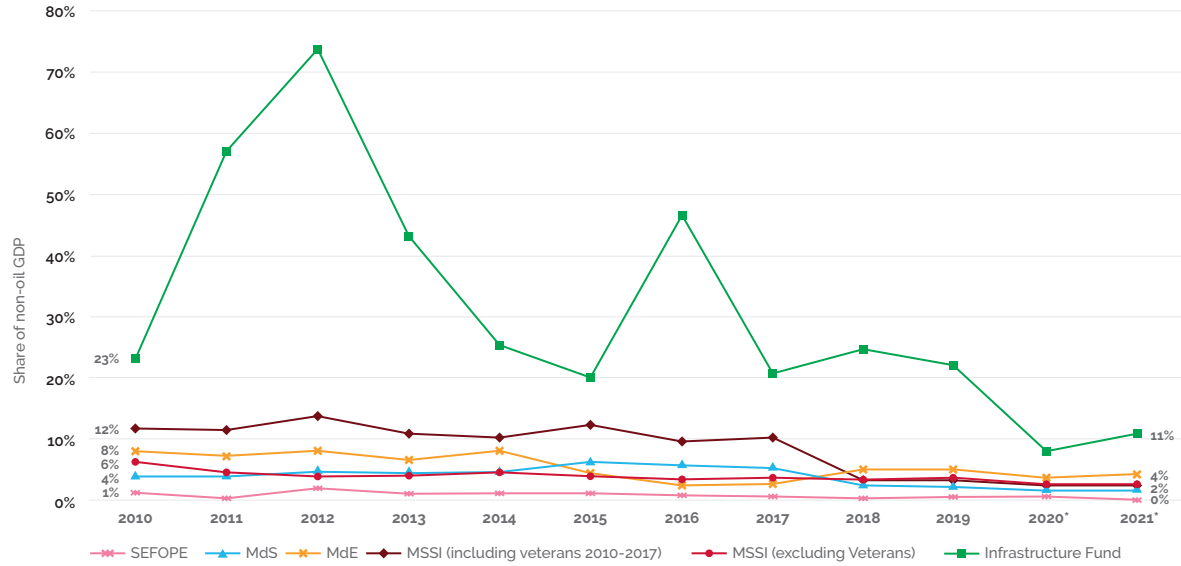


Source: General State Budget 2010-2021, based on the data available on the Timor-Leste Budget Transparency Portal <http://www.budgettransparency.gov.tl/public/index>

From another perspective, the evolution of the budget in the social sectors as a percentage of GDP (Figure 5) also shows a downward trend in the period under review, following the decreasing pace of the total national budget. In 2021, the approved budget for both MSSSI and MdS corresponded to 2% of non-oil GDP, corresponding to a decrease of 10 percentage points⁴² and of 2 percentage points compared to 2010, respectively. The budget approved in 2021 for the MdE represents 8% of non-oil GDP, i.e., 4 percentage points less than in 2010. As for SEFOPE, the 2021 budget is only 0.2% of non-oil GDP (compared to 1% in 2010). Finally, the infrastructure budget as a proportion of GDP also decreased by 12 percentage points, but remains significant, representing 11% of non-oil GDP.

⁴² Or a reduction of 4 percentage points comparing to 2010, if the analysis excludes the budget allocated to veterans.

Figure 6:
General State Budget, selected items, as a percentage of non-oil GDP
(%), 2010-2021



Source: Calculations based on the General State Budget 2010-2021 (data available on the Timor-Leste Budget Transparency Portal at <http://www.budgettransparency.gov.tl/public/indexand non-oil>); GDP based on the National Accounts 2000-2019 and IMF estimates for 2020 and 2021.



Chapter 2:

National Strategy for Social Protection 2021-2030

2.1 Introduction

The NSSP builds on Timor-Leste's commitments over the years to move forward with a vision of social protection for the next decade, guided by the ILO Social Protection Floors Recommendation, 2012 (No. 202).

Strategic Development Plan 2011-2030

The SDP 2011-2030 was developed as the strategic basis for the country's development, setting objectives and targets to respond to the challenges faced by Timor-Leste. The SDP recognizes that the true wealth of the nation is in the strength of its people, and that the focus of national development must be to improve the education, health and quality of life of the population.

The SDP provides, on the short term, continuous support for children, women at risk, the elderly, people with disabilities and other vulnerable groups, while creating adequate conditions for people to have more autonomy and require less support from the State.

Cash transfer social programs, particularly SAll and Bolsa da Mãe, are seen as the main building blocks of the social protection system, essential elements for the continuous construction of social cohesion, and as a support for the most vulnerable citizens.

The SDP also recognizes the need to remove access barriers to essential services and goods, such as health, education and housing, and specifies that measures taken for these purposes should take into account not only the demographic dynamics but also pay particular attention to the situation of children.

The CPLP and the Tibar Action Plan

In April 2015, along with other member states within the framework of CPLP, the Government of Timor-Leste committed to strengthening "national strategies and/or national development plans for the

reduction of poverty and social inequalities, monitoring and evaluating results⁴³, in accordance with point 1.3 of the Tibar Action Plan, by 2017.

The plan also reiterates the importance and need for a commitment from CPLP member states to promote social policies, including the extension of universal social protection, gradually implementing national social protection floors, in line with ILO Recommendation No. 202.

From this commitment, the Government of Timor-Leste, under the leadership of MSSI and with the support of the ILO through the ACTION project, began the process of drafting the National Strategy for Social Protection of Timor-Leste.

Social Protection Floors

The Social Protection Floors (SPF) constitute a set of basic social guarantees, which aim to ensure that all that all members of society enjoy at least a basic level of healthcare and income security throughout their lives. The specificities through which SPF are implemented should be developed and adapted according to the circumstances and realities of each individual country.

The process that culminated in the development of the NSSP was based on the guiding principles aiming to cover the entire population and gradually improve the levels of benefits according to the country's possibilities, to ensure: (1) access to essential health care, including maternity care; (2) basic income security for children, providing access to nutrition, education, care and any other necessary goods and services; (3) basic income security for persons in working age who are unable to earn sufficient income, in particular in cases of sickness, unemployment, maternity and disability; and (4) basic income security for older persons.

The Sustainable Development Goals

One of the targets of the SDGs is to "Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable" (Target 1.3). Many of the priorities set by the Government of Timor-Leste contribute for this goal, and have been established in line with the SDP

⁴³ The Declaration of Tibar, adopted within the framework of the 13rd Meeting of the Ministers of Labour and Social Affairs of the CPLP which took place from 30 April to 1 May in Timor-Leste.

– building on the results already achieved and activities in progress, as well as enhancing consistency and efficiency in the use of resources.

In the first 5 years, priorities will be concentrated on SDGs 2 (eradicate hunger), 3 (health), 4 (education), 5 (gender equality), 6 (water and sanitation) and 9 (infrastructure), in line with the objectives of the SDP, to accelerate human development and improve infrastructure in the short term. The second phase of efforts towards the SDGs will continue to focus on human development but will place greater emphasis on SDG 8 (economic growth and employment) and 12 (sustainable production and consumption).

Finally, the Government hopes that efforts made in the first 10 years of work with the SDGs will enable to achieve the end of poverty (SDG 1) in the third phase of activities, with the improvement of the population's living conditions thanks to a strong and diversified economy. In a broader perspective, these actions will contribute to achieve SDG 16 (peace and strong institutions). The Government established a technical group to coordinate planning and implementation of the actions needed to achieve this set of objectives.

2.2 Vision for 2030

By 2030, Timor-Leste aims to achieve the end of poverty, promote peace, ensure access to healthcare, education and other essential services, ensure adequate care for children, the elderly and the disabled, and protect the population from social and economic risks, thereby ensuring a decent living standard for all Timorese citizens.

2.3 Objectives

The NSSP is the first strategic document of its kind developed in the country. The strategy takes into account the living conditions of the population, the social protection framework and programs already underway in the country, as well as the commitments and responsibilities of the Timorese State to achieve its vision for social protection in Timor-Leste by 2030.

In order to ensure that the strategy structure is easy to understand and analyze, the NSSP sets out three strategic objectives, divided into sub-objectives which are considered priority intervention areas.



Objective 1: Reducing poverty

- 1.1:** Expanding support to the most vulnerable groups;
- 1.2:** Improving the system of social cash transfers;
- 1.3:** Increasing nutrition support;
- 1.4:** Facilitating the access to healthcare and education;
- 1.5:** Strengthening disaster prevention and response.



Objective 2: Improving and expanding social security for workers

- 2.1:** Developing the contributory social security system;
- 2.2:** Developing the National Institute of Social Security.



Objective 3: Institutional development

- 3.1:** Coordinating and integrating programs;
- 3.2:** Empowering human resources;
- 3.3:** Establishing a monitoring and evaluation system;
- 3.4:** Strengthening the legal bases of social protection;
- 3.5:** Improving financing and budget planning.

In order to achieve these strategic objectives and priority intervention areas, the priority activities deemed essential to materialize the vision of social protection in Timor-Leste were identified. This Strategy should be accompanied by Annual Implementation Plans that will complement and specify the priority activities of the NSSP, to ensure their efficient and effective implementation.

The priority activities under each NSSP objective to be achieved by 2030 are presented below.

2.3.1 Objective 1: Reducing Poverty

The goal of the first group of priority activities is to contribute to poverty reduction in Timor-Leste. In this way, all Timorese citizens should be able to meet their basic needs at each stage of their lives, including individuals and families in poverty and/or living in vulnerable situations and/or with special needs.

Given the multiplicity of causes and conditions that can lead to poverty, social protection can play a key and multidimensional role in this context. Thus, the objective of poverty reduction target is subdivided into five priority areas.

2.3.1.1 Expanding Support to the Most Vulnerable Groups

Socioeconomic risks may vary throughout life, partly due to uncontrollable circumstances, and may place individuals and their families at greater or lower risk of poverty and vulnerability. Some of the risk factors may affect certain groups of the population disproportionately, such as women, the elderly, children, people with disabilities, rural workers and young people.

In Timor-Leste, there are social protection programs specifically directed to some of these groups. These include programs to prevent or alleviate poverty, such as the SAll which covers the elderly and people with disabilities unable to work.

However, some limitations persist, either due to operational difficulties and/or because the amounts of such benefits are not enough to have a significant impact on the level of poverty of their beneficiaries. In addition, social protection coverage of some of the most vulnerable groups remains very low, including for example young people and rural workers, for whom there are few specific social protection programs are almost nonexistent.

In this context, it is important to assess the current policies and programs targeting the most vulnerable groups in terms of coverage, adequacy and potential impact. It will be essential to ensure that social protection policies and programs respond effectively to the particular needs of each group and contribute effectively to poverty reduction. For cases where policy measures have already been identified and reviewed, their implementation should start as soon as possible. The priority activities in this area of intervention are listed in the following table⁴⁴:

⁴⁴ Annex I presents the full list of priority activities per strategic objective and for all ENPS policy areas, indicating the year in which each activity is to be implemented.

Table 2:

Priority Activities to Expand Support to Vulnerable Groups

N°	Activity Description
1.1.1	Assess the coverage, adequacy and potential impact of the programs on the most vulnerable groups (including gender breakdown), as well as the opportunities to improve the efficiency and effectiveness of the social protection system.
1.1.2	Review and approve the national policy for people with disabilities
1.1.3	Develop a disability table to standardize the identification of types and levels of invalidity/disability.
1.1.4	Ensure the universal coverage of children with disabilities by the Bolsa da Mãe program, in a similar amount to the one offered by the SAIL.
1.1.5	Establish the National Council for the Integration of People with Disabilities, equally represented by men and women.
1.1.6	Ratify the International Convention on the Rights of Persons with Disabilities.
1.1.7	Assess the establishment of provisions to support rural workers who lose their yield/harvest.

2.3.1.2 Improving the System of Social Cash Transfers

The main social protection programs focused on preventing and combating poverty in Timor-Leste consist of social cash transfers targeting individuals and families in specific circumstances and/or sharing certain characteristics.

However, there are challenges related to the design and implementation of the programs restraining the coverage of all eligible individuals. Therefore, the adjustment and/or restructuring of some aspects related to the design of operational measures and procedures are key to ensure that the social cash transfer process is able to identify, select, record and deliver benefits to all potential beneficiaries in the different target groups effectively and efficiently, and thus have an impact on poverty prevention and reduction.

Adequacy of the benefit amount

The amount of the benefits offered by different programs varies considerably. While there are programs offering generous benefits (such as those relating to the Pension Scheme for National Liberation Combatants and Martyrs), other benefits represent only a small contribution to the average family income and fail to have an adequate impact on the living conditions of the beneficiaries. This is also observed in universal programs. It is necessary to adjust the amount of the

benefits offered so that they can have the desired impact on the lives of the beneficiaries and on the reduction of national poverty.

There is currently no mechanism to safeguard the purchasing power of beneficiaries over time. Where such mechanism exists, it is based on the minimum wage of the public sector, which does not allow an adequate control of the real value and, in addition, the minimum wage has remained unchanged for several years. The absence of a proper adjustment mechanism leads to the stagnation of the benefit for years, which in practice progressively reduces the benefit's real value, thereby decreasing its effectiveness. It is important to establish an indexing mechanism for benefits, which takes into account changes in the cost of living and the behavior of the economy, among other factors, to improve the fairness and efficiency of social cash transfers.

Improvement of Processes Related to the Identification, Selection and Registration of Beneficiaries

The processes for the identification, data collection, selection and registration of beneficiaries are complex in nature, notably in the current context where a unique identification number and social records are not yet available for the entire population.

The Government of Timor-Leste has recently reaffirmed its commitment to developing a single ID for Timorese citizens as a key element of the public administration reform, aimed at improving the citizens' access to the various public services and reducing identity and financial fraud. It will also serve as a basis for e-government and digital transactions. The unique ID will have a minimum set of biographical and biometric information⁴⁵ that can be used to prove one's identity, to register in numerous services, to facilitate payments and opening of bank accounts. One million people are expected to be registered by the end of 2025. In this context, it is important to start thinking how the social protection system can use this platform to improve the system itself and avoid fraud and duplication.

In terms of data collection, selection and registration, it is important to define and/or review information and criteria accurately and objectively, to facilitate decision making processes and the distinction between eligible and ineligible applicants for the different programs. Sometimes,

⁴⁵ Biometric information, such as facial image, fingerprint data and, possibly, iris data, for people over the age of 13, in order to create the distinctiveness of individuals and facilitate the secure authentication of a unique identity.

this task stumbles on problems of both practical and conceptual nature. On the practical side, there are challenges associated with the administrative workload needed to identify, collect information from and select eligible beneficiaries, shortage of human resources, as well as the cost and duration of processes, often not accounted for when the programs are initially designed. Additionally, most of the procedures are still performed manually, including the registration of program beneficiaries (previously considered as potentially eligible) by the technicians, at central and/or local level. Information systems play a crucial role in supporting the automation of the various procedures, including the collection and recording of data and information, process evaluation, determination of eligibility and registration of beneficiaries in the different programs. Despite its relevance, the establishment of an integrated information system has been taking place gradually, but there is still a long way ahead.

On the conceptual side, issues such as the choice of beneficiary selection mechanisms, of a threshold to differentiate poor and non-poor, of an adequate measure of household income in a labour market where informal employment still prevails, among others, should be well defined before the implementation of any program, in order to ensure its efficiency and effectiveness.

Programs using beneficiary selection criteria such as a poverty or vulnerability that are not well designed and implemented, carry the risk of excluding poor and vulnerable individuals simply because such individuals have no way of proving that certain criteria apply to them. In Timor-Leste, where more than 40% of the population lives below the poverty line, it is preferable and potentially more effective to incur the risk of including some non-poor/non-vulnerable individuals than to exclude many others who need support but are unable to prove it.

Therefore, Timor-Leste's social protection system shall, as far as possible, favor universal coverage programs. In this way, it will strengthen the constitutional right of all citizens to social protection, seeking to support all those in need. Whenever the introduction and/or reform of universal benefits is not possible, priority will be given to the poorest and most vulnerable, trying to exclude and avoid the accumulation of benefits by those who do not need them.

Payment Mechanisms

In the two cash transfer programs with the highest levels of coverage in the country (Bolsa da Mãe and SAIL), the frequency of payments is low and irregular. The payment of Bolsa da Mãe takes place only once a year and SAIL only twice a year, on dates that change from year to year, with no fixed schedule. The lack of predictability and the low frequency of payments inhibits beneficiaries from relying on these provisions, ultimately reducing their effectiveness.

One of the main reasons is the high cost of each transaction, hindering the payment of these benefits on a monthly basis, as provided for in the applicable regulations. In addition, most beneficiaries do not even have access to a bank account, much less to financial services.

Developing a single and integrated benefit payment system, through a model with options that serve all social protection programs, could potentially benefit from an economy of scale, enabling the payment of benefits on a regular basis (preferably each month) and improving the reliability and efficiency of the entire system.

However, it is important to highlight that payment options should ensure that the most vulnerable groups, such as the elderly and people with disabilities, receive their benefits as close to their residence as possible.

Table 3:
Priority Activities to Improve the Social Transfer System

Nº	Activity Description
1.2.1	Develop an indicator to index the value of social protection benefits, independent from the value of the minimum wage in the public sector.
1.2.2	Verify the possibility of introducing an affluence test in the SAIL and Bolsa da Mãe, taking into account the data of the contributory scheme and other data sources available to the Government.
1.2.3	Start the application of the new indexing mechanism to all programs involving cash transfers on an annual basis.
1.2.4	Develop a single and integrated benefit payment system for all social protection programs.
1.2.5	Strengthen computer-based systems and develop digitalized options for operational processes to support the management and implementation of social cash transfers.

2.3.1.3 Increasing Nutrition Support

The existing responses of the social protection system to the high prevalence of malnutrition – healthcare services, as well as Merenda Escolar and Bolsa da Mãe programs – have had limited results so far. The measures presented in this section aim to strengthen the efficiency and effectiveness of these programs.

The First 1000 Days

Malnutrition in the first years of life can have lifelong consequences. Inadequate nutrition in children reduces survival, school performance, simultaneously slowing the child's growth and proper development. As children develop their cognitive and non-cognitive skills in the early years of life, the effects of deprivation at this stage can produce severe and long-lasting consequences. As such, combating child malnutrition must be a priority for any social protection system targeting poverty prevention and reduction. Moreover, boosting the development of children at an early age can improve their school performance, and have positive effects on productivity and social behavior throughout their future lives. Returns of investment in early childhood programs are even higher when measures are started before birth.

The prevention of malnutrition in the first 1000 days of life demonstrates the greatest benefits in the development of the child and ensures adequate support to families so that they can meet all the child's needs. Bearing this in mind, it is essential that the Bolsa da Mãe program becomes universal for children up to the age of 3, in order to increase the chances of success of Timorese children by ensuring they can benefit from a healthy development at a critical stage of their lives. In the future, studies should be carried out on the possibility of expanding the universal coverage of the program to older ages (e.g., up to 5 years old or school enrolment). Such an extension could not only contribute to consolidate the development of children but also to ensure that no child is left behind due to failures in social protection systems, such as problems in the identification and selection of beneficiaries.

School Feeding

Despite the high coverage of the Merenda Escolar program, it faces implementation challenges that reduce the positive impact the program could have on children's lives.

In the past, problems have been identified in the processes of purchasing food, preparing meals and in the design of menus to meet the nutritional needs of children. Additionally, the selection process of food and service providers does not follow strict evaluation criteria as regards the quality of the goods and services provided, their delivery capacity, transparency and accountability, which may limit the effectiveness and efficiency of the program.

It is therefore essential that these processes are improved by making them more participatory, for example involving the local community, so that the program is implemented with the necessary quality to achieve the expected results. Additionally, quite frequently, the program does not have sufficient budget to meet its own predefined criteria in the future, NSSP annual implementation plans should ensure that the budgetary allocation of the program is not less than the minimum necessary for effective implementation according to the established quality parameters, otherwise it will not be able to achieve its objectives⁴⁶.

Table 4:
Priority Activities to Increase Nutrition Support

Nº	Activity Description
1.3.1	Make the Bolsa da Mãe program universal for children up to 3 years old.
1.3.2	Review the implementation processes of the Merenda Escolar program, including acquisition and preparation of food, and supplier selection, according to quality and transparency standards.
1.3.3	Review school menus in order to meet the nutritional needs of children.
1.3.4	Coordinate social protection interventions with Food, Nutritional and Hygiene Education programs in communities.

2.3.1.4 Facilitating Access to Healthcare and Education

The Timorese State has implemented universal education and healthcare systems practically since its independence. While one of the most effective ways of expanding access to healthcare and education is by increasing the quantity and quality of infrastructures, as well the number of qualified professionals in each area, such measures fall within the scope of national health and education strategies and are therefore not covered in the present document.

⁴⁶ Section 5.2.2 provides an estimate of the costs needed to improve the Merenda Escolar program, including an increase in the available budget per meal, to ensure that each meal contains an adequate nutritional content for children.

However, social protection can still play a key role in improving access to healthcare and education, particularly for citizens who face greater difficulties in accessing these services for several reasons, including economic, social and/or geographical.

Reducing Access Barriers to the Healthcare System

Although healthcare services are free of charge in public facilities, users often have to bear significant costs – financial or in time – to travel to the services. When people in vulnerable situations need healthcare and cannot afford these associated costs, the situation of vulnerability is often aggravated.

Although public healthcare structures provide ambulance services, quite often the necessary means for the provision of this service, such as telephone lines and communication mechanisms to request the service or an adequate number of ambulances, are unavailable due to lack of maintenance or lack of human resources for its implementation.

Therefore, it is necessary to verify the means by which it is possible to improve access to ambulance services, facilitating the contact with the service, increasing availability and reducing response times. In parallel, the possibility of reimbursing private transportation expenses to reach medical services in emergency situations should be examined, as it is particularly relevant for people in more vulnerable situations.

Programs that allow the access to healthcare services in isolated regions or that bring these services closer to people's residences should be strengthened, as they act as important measures to remove barriers to access. The SISCA and Health in the Family programs have shown good results but are still not supported by adequate legal bases and budget for services to be regular and sustainable. These programs can also serve as catalysts for other social benefits if data and information is recorded and shared, and then integrated with other social protection programs.

Improving Maternal and Child Health

Despite the improvements observed in the last 5 years regarding the access to maternal and child healthcare, only half of the pregnancies receive adequate prenatal and postnatal follow-up. Adequate care

for the mother and the newborn baby can reduce maternal and infant mortality and avoid several developmental problems with lifelong consequences.

Like other healthcare services, despite being free, some associated expenses (such as transportation, time, loss of working days, medication, home care) often preclude individuals from accessing adequate care. Therefore, it is necessary to assess the possibility of creating mechanisms to reduce the costs associated with healthcare or to introduce incentives (in cash or in kind) for mothers to attend prenatal and postnatal exams, as well as to perform routine exams in children.

These mechanisms would significantly benefit from an integration into existing programs, such as the Bolsa da Mãe program, allowing the child's follow-up to start even before birth, collecting information and facilitating the identification of potential beneficiaries for the program from an early age.

Facilitating Access to Education

Although not directly responsible for the provision of educational services, social protection can still play a role in ensuring universal access to education. Social protection can contribute to the reduction of access barriers to education, including reducing associated costs or providing monetary support for families with limited financial capacity. The importance of removing access barriers to education is even more compelling in rural areas, given the lower concentration of resources, including infrastructures.

Therefore, the social protection system should promote and implement measures that contribute to the elimination or reduction of access barriers to education, regardless of their nature.

Table 5:
Priority Activities to Facilitate Access to Healthcare and Education

Nº	Activity Description
1.4.1	Propose ways to improve ambulance services, facilitating contact with the service, expanding its availability and reducing response times.
1.4.2	Assess the feasibility to refund private transportation expenses to healthcare facilities in emergency situations and for people in vulnerable situations.
1.4.3	Assess the costs and impact of making SISCA and Health in the Family programs more regular and predictable, including more frequent visits and a wider range of services offered to the communities and to all citizens.
1.4.4	Integrate, as far as possible, information between the provision of healthcare services and the provision of social benefits, including records and administrative databases.
1.4.5	Create mechanisms to reduce the costs associated with access to healthcare or introduce incentives for mothers to attend prenatal and postnatal exams.
1.4.6	Review the possibility of integrating the incentives for mothers to attend prenatal and postnatal exams in the Bolsa da Mãe program.
1.4.7	Carry out health-related education and awareness-raising actions, removing barriers that limit the access to services in social protection programs.
1.4.8	Propose measures to eliminate barriers to access school, taking into account any assessments already developed by government agencies.
1.4.9	Promote the importance of education and its long-term returns, recognizing the role of social protection as a facilitator for this process.

2.3.1.5 Strengthening Disaster Prevention and Response

Humanitarian aid and disaster management, including natural disasters, are mostly outside the scope of social protection. On the one hand, humanitarian assistance has a mandate of immediate response to save, alleviate and maintain the dignity of those affected. On the other hand, disaster management, including natural disasters and pandemic crises, aims at reducing the likelihood of a disaster severely affecting people's lives and ensuring that they are able to cope with the situation. It is important to stress that, most often, neither humanitarian aid nor disaster management are associated with regular social protection programs.

The responsibilities of the various government players in the process of responding to covariate shocks are not always clearly defined and can easily lead to the duplication of efforts or failure in immediate response to an emergency situation. In December 2020, the country's first Basic Law on Civil Protection (Law No. 12/2020, of 2 December 2020) was passed, marking the end of a long waiting period since 2010, when the Mdl had passed the following laws: National Security Act, National Defense Act and Homeland Security Act. For the last two years, the National Directorate General for Disaster Management

(DNGRD) has been responsible for assessing the damage of the most recent disasters, in collaboration with MSSl, MAE and other partners⁴⁷.

It is crucial not only to limit responsibilities, but also to understand how the different players can access and share the contingency reserve in order to maximize the expected impact. For the moment, the creation of a disaster management fund under the responsibility of the Government is being considered, which would be an autonomous fund supported by the General State Budget and the budget of the Oe-cusse Ambeno Special Administrative Region (RAEOA). Consideration is also being given to harmonizing the support system of emergency and recovery, by defining social support for victims of disasters, including emergency food assistance, distribution of non-food items, distribution of construction materials for the rehabilitation or reconstruction of affected dwellings, as well as a support allowance for rehabilitation or reconstruction works.

At the same time, the ability to allocate such national social support as well as the assessment of damage will remain under the responsibility of the Civil Protection Authority, in collaboration with the MAE and the MSSl.

However, it is particularly important to highlight the role that social protection can play in the face of unexpected shocks affecting the population on a larger scale. Regular social protection programs should be able to adapt in order to complement humanitarian interventions by supporting the needs of the affected populations, whether or not these populations are benefiting from the system. In addition to this more immediate intervention, social protection can also help prevent different types of shocks by strengthening social protection floors, building more flexible and adaptable social protection systems, as well as establishing strategic and operational partnerships in anticipation of covariate shocks.

Table 6:
Priority Activities to Strengthen Disaster Response

N°	Activity Description
1.5.1	Delineate the strategic and operational responsibilities of the different government institutions when responding to natural disasters, humanitarian crises and other covariate shocks.
1.5.2	Explore options for strengthening the capacity of social protection in preventing and responding to natural disasters, humanitarian crises and other covariate shocks, through flexibility and adaptability of programs and systems, including the integration of information systems.

⁴⁷ DNGRD's damage assessment was carried out through an evaluation form produced after the disaster, in coordination with development partners, namely UN agencies and NGOs, also involving the participation of the MSSl and the MAE.

2.3.2 Objective 2: Improving and Expanding Social Security for Workers

In order to further develop, strengthen and modernize the social protection system, it is essential to maintain a continuous development of the social security system for workers, including workers in informal economy and subsistence agriculture. In this way, it is important to have a social security system that provides protection against work-related risks and situations of vulnerability.

2.3.2.1 Developing the Contributory Social Security System

The creation of the General Contributory Social Security Scheme represented a significant milestone in the process of developing an integrated social protection system, establishing a set of provisions for the protection of workers and their families in situations of old age, death, invalidity, maternity/paternity and accidents at work.

It is the responsibility of the Government to ensure the development of a robust and sustainable social security system, which allows workers to enjoy rights and protection, while collecting contributions and revenues in order to ensure compliance of the participants with their contributory obligations.

The initial implementation of a social security system, particularly the development of the newly created INSS, is a significant and complex challenge during its initial years. Such system should ensure the essential conditions for the management of the contributory scheme, which includes collecting contributions and revenues and ensuring compliance with contributory obligations, ensuring the payment of benefits, developing institutional relationships, assisting, educating and raising awareness of beneficiaries and stakeholders, among other responsibilities.

Optimizing this process requires the participation of public authorities involved in the management of the social security system. This also implies the involvement and active participation of employers' and workers' organizations as they represent the contributors of the system, according to the legislation establishing the INSS.

At this early stage, the contributory social security system protects workers and their families against a comprehensive range of risks,

but not in the event of illness. Protection in the event of illness is an important provision of social security, as it guarantees the worker's income in a situation of vulnerability, which can extend for considerable periods of time in some cases. Therefore, in order to make the social protection system more complete and to offer a fundamental element of protection, the introduction of a provision to secure events of illness should be considered.

In the case of Timor-Leste, it is important to have specific measures for tuberculosis due to the high prevalence of the disease, and its contagious nature, which may endanger the health of other workers.

Following the process of developing and maturing the contributory social security system, consideration should be given to the possibility of extending, in the medium-term, the protection of workers against a wider range of risks, such as the introduction of an unemployment allowance, a family allowance, as well as other types of allowances and protections identified as needs within the socioeconomic context of the country in the upcoming years.

Table 7:
Priority Activities for the Development of the Contributory Social Security System

N°	Activity Description
2.1.1	Consolidate the Contributory Social Security Scheme.
2.1.2	Study the introduction of a provision in the event of illness, including a special scheme for conditions threatening public health.
2.1.3	Ensure the involvement and participation of all stakeholders in the Contributory Social Security scheme, especially social partners.
2.1.4	Create and regulate a minimum value for pensions.
2.1.5	Explore the possibility of implementing unemployment insurance.
2.1.6	Explore the possibility of implementing Family Allowance.

2.3.2.2 Developing the National Institute of Social Security (INSS)

INSS Implementation, Management and Sustainability

The INSS is the institution responsible for the management and implementation of the social security system, including its budget. This includes safeguarding the rights and the payment of benefits to beneficiaries, as well as the collection of contributions and revenues in order to ensure that contributions are compulsory and that the scheme remains sustainable.

The initial stages of institutional development of the INSS require intensive monitoring and supervision of the activities. The development and full implementation of the organization are long-term processes, but the most critical phase is the first 3 to 5 years.

The development and progress of a modern and efficient institution, needs to take into account some critical factors, including: a well-prepared and committed technical team; a structured, robust and functional IT system; transparent administrative and financial management services with continuous audit and control mechanisms; efficient and trustworthy workers, employers and beneficiaries; active involvement of social partners in the organization's management.

Integration with Programs of the Non-Contributory System

The INSS is responsible not only for the implementation of the new contributory scheme, but also for programs under the non-contributory scheme funded by transfers from the State Budget, such as the SAIL. This factor creates opportunities for the development of synergies and scale gains with the non-contributory system, and may include unified benefit payment systems, information management, public service structures and processes, and more solid monitoring and evaluation mechanisms. These opportunities should be studied in order to ascertain their respective costs, benefits and feasibility.

Coverage of Employees in the Informal Sector

The contributory social security scheme allows workers in informal employment to contribute on a voluntary basis. However, the experience of other countries shows that only a small proportion of informal workers adhere on a voluntary basis, while most remain without any protection against social, economic and labour risks. In addition, small farmers, workers in the agriculture sector and other subsistence seasonal workers may face difficulties in getting sufficient financial resources to be able to maintain their social security contributions on a regular basis.

It is therefore necessary to put in place mechanisms to encourage the participation of these workers in the social security system in order to ensure protection for themselves and their families.

Table 8:
Priority Activities for Development of the National Institute of Social Security (INSS)

N°	Activity Description
2.2.1	Develop INSS as a modern, efficient and transparent institution.
2.2.2	Explore opportunities for synergies and scale gains through the integration of contributory and non-contributory social security schemes.
2.2.3	Consider the possibility of creating the position of social security inspectors.
2.2.4	Create mechanisms to encourage workers in informal jobs, subsistence farming and other vulnerable jobs to participate in the social security system.

2.3.3 Objective 3: Institutional Development

In order to further develop an effective and efficient social protection system, it is essential that the institutional capacity of the system continues to be improved and strengthened. This is the only way to coordinate and integrate information and system operations, as well as to ensure that the management of financial resources invested in social protection is sustainable and efficient.

2.3.3.1 Coordinate and Integrate Programs

Operational Coordination

Social protection programs in Timor-Leste are implemented by several government agents. Some topics, such as nutrition, require simultaneous actions from various ministries. However, communication is not always effective, and the integration of initiatives is not always carried out, leading to the duplication of efforts, coverage gaps and implementation failures.

The development of an interministerial coordination model to coordinate the different types of social protection programs, regardless of the nature of benefits – in cash or in kind, including services – will increase the impact of the programs by enhancing information sharing, joint operational efforts and scale gains in processes and activities.

The Executive Secretariat for the NSSP should act as an interministerial coordinated mechanism of management and governance, in order to ensure the consistent implementation and efficiency of the proposed activities.

Integration of IT Systems and Databases

Just as social protection programs have much to gain from coordinating their actions, sharing information and databases between different government entities can facilitate and improve the efficiency of the various processes.

In most cases, each program uses its own computer system and databases, hindering communication or integration of data between different programs. This often leads to the duplication of efforts in data collection and storage, promotes the occurrence of discrepancies in data collected from registered individuals, and turns social protection into an inefficient and time-consuming system.

Data integration will provide a more complete profile of the system users, which will in turn facilitate the identification of beneficiaries, reduce the duplication of benefits, allow a thorough analysis of the history and situation of individuals and their families, and also open opportunities for a better cooperation between the programs. To this end, measures to harmonize and coordinate information technology services and databases shall be explored.

Program Integration

The existing programs for informal workers, such as Rural Employment and Roads for Development, were designed with similar purposes. While the first is a relatively small program with limited scope, the second has a higher technical scope and level of sophistication.

Therefore, in order to reduce the duplication of purposes, the Rural Employment and Roads for Development programs should be merged into one, observing the best practices and preserving the experience and skills of the teams involved in both programs. This will result in a more efficient program with greater economies of scale, allowing the unification of public work programs of the Government of Timor-Leste.

Table 9:

Priority Activities for Program Coordination and Integration

N°	Activity Description
3.1.1	Develop a model of interministerial coordination between the various social programs, aimed at increasing the effectiveness and efficiency of the programs and activities planned in the NSSP.
3.1.2	Promote the operational coordination of the different social protection programs that interact with each other.
3.1.3	Extend and expand operational coordination and decentralized services.
3.1.4	Explore actions to harmonize and coordinate information technology services and databases between social protection programs.
3.1.5	Integrate Public Work Programs, Rural Employment and Roads for Development, to avoid duplication, profit from economies of scale and improve system efficiency.

2.3.3.2 Empowering Human Resources

For the successful implementation of the NSSP, and considering the expansion of social protection, especially the development of the social security contributory regime and the future process of decentralization, there will be an increasing need to empower human resources in the area of social protection up to 2030.

To ensure the quality of administration services and the efficiency of social protection programs, human resources need to be constantly improved, either through training, work-based training and/or other training and capacity-building mechanisms. This requires the analysis and categorization of current capacities that will serve as a basis for the creation of a capacity-building plan for social protection activities. This work should systematically explore the opportunities of the

Human Capital Development Fund (HCDF) to ensure the continuous development of human resources in the area of social protection.

Table 10:
Priority Activities for the Development of Human Resources

N°	Activity Description
3.2.1	Establish a capacity building plan for social protection activities based on the analysis and categorization of current capacities.
3.2.2	Systematically explore the opportunities of the Human Capital Development Fund to respond to human resource empowerment needs in the area of social protection, ensuring gender parity.
3.2.3	Promote training courses in the area of social protection.
3.2.4	Create and train teams in the area of social protection so that they can provide support at a decentralized level.

2.3.3.3 Establishing a Monitoring and Evaluation System

The Government's Annual Action Plans already require monitoring indicators for all the activities undertaken. However, the type of indicators used are usually output indicators, related to what has been produced or delivered, instead of indicators that can measure results and impact.

Thus, the establishment of a monitoring and evaluation system (M&E) is a key element of the governance model required for the implementation of social protection investments. This system will ensure that credible, appropriate and timely information is available and shared among the different users, including policy makers, responsible for the coordination and management of the various programs, as well as partners and the general public.

Although some of the social protection programs already have monitoring and evaluation mechanisms established in their respective legal documents or instruments, in most cases these mechanisms are not effectively implemented, and any associated statistical production is even less frequent. The absence of an integrated information system, the fragility of existing databases, lack of financial resources and limited training of human resources, are some of the factors that have hindered the development of a statistical system and social protection indicators.

The M&E system should be able to monitor the implementation of the NSSP on an annual basis but should also serve as an incentive to

develop a statistical system and social protection indicators that can be regularly disseminated. In this way, it will be possible to monitor progress and evaluate the results of the social protection system, including the effectiveness and efficiency of social protection programs and associated implementation processes.

It will be important to establish an interinstitutional working group whose mission will be to develop the NSSP M&E system and prepare work in the area of social protection statistics and indicators. This will require gathering data related to information, costs and other resources necessary for the development of an integrated system, covering all social protection programs. This analysis should also include the development of technical capacity in statistics, as well as monitoring and evaluation of the interinstitutional teams involved in the process.

At the same time, it will be important to examine the possibility of creating a cross-sectional unit of M&E within the MSSSI organic structure, which will be responsible for planning and implementing activities in this area.

Table 11:
Priority Activities to Establish an M&E System

N°	Description of Activities
3.3.1	Create an interinstitutional working group whose mission will be to develop and implement the NSSP M&E system and set the basis for national social protection statistics and indicators.
3.3.2	Analyze the costs, resources and information needed to develop the area of national social protection statistics and indicators.
3.3.3	Analyze the possibility of creating a cross-sectional unit of M&E in the MSSSI organic.

2.3.3.4 Strengthening the Legal Basis of Social Protection

Globally, the legal system in Timor-Leste is still under development given the relatively short period of time elapsed since the country's independence. This implies that some legal instruments establishing important aspects of the social protection system are still nonexistent. To overcome this problem, it is necessary to create a Basic Law on Social Protection, which should serve as a basis for the system to be

formally and fully established and thus to support the development of all social protection policies in a consistent and sustained manner.

There are several programs that continue to operate only based on ministerial decrees, which do not guarantee their long-term continuity or the allocation of rights to their beneficiaries. As such, developing sound legal bases for social protection programs is important for the system to be stable and able to offer protection in a sustainable and efficient manner. Regular procedures for reviewing the existing legislation on social protection should be established in order to update laws and decrees concerning programs already in force and should initially address the Bolsa da Mãe and SAIL programs, which have already shown that their legal bases require an adequate revision and update.

Table 12:

Priority Activities to Strengthen the Legal Bases of Social Protection

Nº	Activity Description
3.4.1	Create the Basic Law on Social Protection and its regulation.
3.4.2	Review the existing legislation social on protection.
3.4.3	Strengthen the legal basis of the programs that have been implemented only by ministerial decree.

2.3.3.5 Improving Finance and Budget Planning

With the increase in budgetary requirements to meet identified needs and the uncertainty of long-term oil revenues, as well as the reduction of the Estimated Sustainable Income, it is crucial to ensure the sound management, adequate provision and sustainability of the social protection budget.

Thus, financial and budgetary planning should be carried out for longer periods rather than annual cycles. This would facilitate forecasting and managing resources with a longer-term perspective.

It is important to carry out an analysis of public expenditure to reflect upon the potential reallocation of expenses across sectors and programs. Not only should it be possible to reallocate resources to programs that prove to be more efficient and impactful, but also to adjust the distribution of expenses between different categories and ensure the maximum implementation of the social protection budget.

In addition, it is worth mentioning the importance of having a "gender-sensitive budget", assessing the contribution of the public budget allocated to social protection to achieve equality between women and men. This type of budget aims to identify the various existing spending and revenue options for girls and women, and across different groups of women, compared to the impact on boys and men. In this way, changes could be made to ensure equality between men and women.]

Table 13:
Priority Activities for Better Financing and Budget Planning

N°	Description of Activities
3.5.1	Carry out multiannual budgetary planning, taking into account changes in demographics and demand for rights and services in the short-, medium- and long-term.
3.5.2	Carry out an analysis of public expenditure to reflect upon the reallocation of expenses more effectively.
3.5.3	Carry out integrated social protection planning, involving development partners.



Chapter 3:

Implementation of the NSSP

As a structure to support the Government in meeting its national development goals, the effective implementation of the NSSP assumes a firm commitment from all government bodies and all implementing agents. Such dedication also requires effective mechanisms for cooperation, dialogue, coordination and participation at all levels and all stages of the process.

3.1 Governance Structure

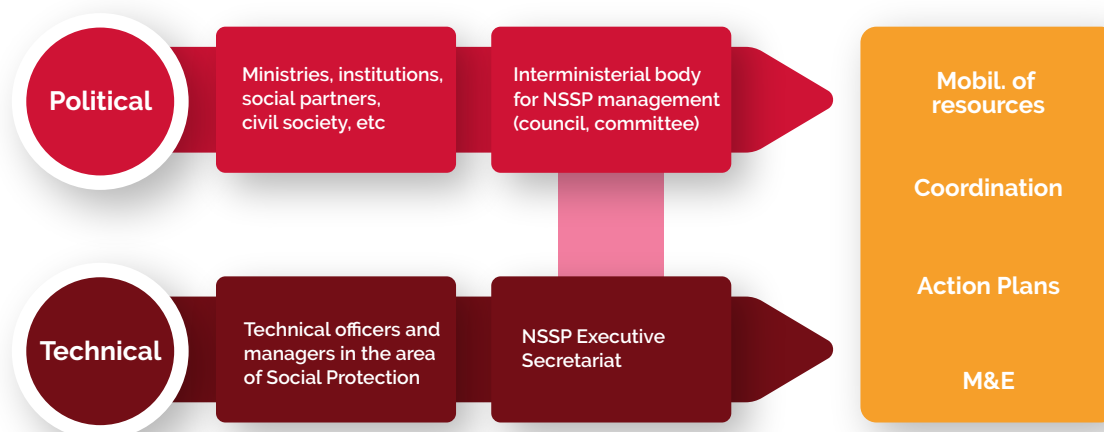
The management and implementation of the NSSP foresees the creation of a National Council for Social Protection (CNPS) which will be the interministerial body responsible for political deliberation. It also provides for the establishment of an Executive Secretariat (ES), which will be responsible for technical issues related to the Strategy. The ES will lead the development of medium-term action plans and annual NSSP implementation plans, including timing, coordination of the different activities, mobilization of resources, monitoring of implemented actions and evaluation of results obtained regularly, as illustrated in Figure 7.

As a higher deliberative body, the CNPS should preferably be led by an Institution in the political sphere, such as the Prime Minister's Office (PMO). The ES in turn, will be technically coordinated by the MSSSI, with the participation of a representative of each of the other ministries involved in the development and implementation process of the NSSP, including a representative of the INSS.

The development of action plans and their timing should preferably observe periods of 3 to 5 years and may be aligned with the plans of the different governments that are developed during these periods (such as the MSSSI strategic plan). In addition, annual implementation plans provide a practical roadmap for the implementation of the planned activities. Part of the NSSP Objective 3 will be to improve coordination, monitoring and evaluation mechanisms, which should serve as a basis for the management of the strategy by the interministerial coordination body.

Regardless of the methodology used, the management, coordination and monitoring of the planned activities are crucial to ensure the successful implementation of the NSSP.

Figure 7:
NSSP Governance Structure



3.2 Implementation Strategy

NSSP presents the overview for social protection in Timor-Leste by 2030. As such, it only includes a brief description of the Strategy's main objectives as well as its planned activities up to 2030. Thus, there is a need to identify in more detail the various aspects involved, so that the vision for social protection can be made reality in the short, medium and long term. Figure 8 presents a diagram of the different strategic and operational documents necessary for the planning and implementation of the NSSP for different time horizons.

Figure 8:
NSSP Implementation Strategy



Annex I provides a list of all priority activities identified in this NSSP and an indication of the year(s) of implementation for each activity. This list should be used as a starting point for detailed planning and implementation in the short and medium term.

Many of the activities proposed involve the analysis and/or feasibility study of operational measures or changes. After the completion of these studies and/or analyses, decisions will be necessary at both political and technical levels in order to proceed. Thus, during the implementation of the NSSP, there will be space to introduce new activities and also to review priority activities included in the present version of the Strategy.

Likewise, each priority activity proposed on the NSSP requires a series of actions and steps for its implementation. These actions should be detailed for each of the activities in the annual implementation plans and include an analysis of the conditions necessary for their efficient and timely implementation (including necessary budget analyses, legal documentation, etc.).

3.3 Monitoring and Evaluation

NSSP monitoring and evaluation will be the responsibility of the interinstitutional working group whose mission will be to develop the NSSP M&E system and prepare work in the area of national social protection statistics and indicators. This working group of M&E technicians should be part of the ES proposed in this strategy. This group will work with the implementing institutions to ensure that all relevant data is collected, recorded, processed, analyzed and shared on a regular basis. The M&E system should produce information annually and support short-, medium- and long-term decision-making and planning.

Considering the NSSP implementation period, an intermediate evaluation should be carried out in 2025, and a final evaluation process should take place in 2029-2030 to assess the results and impact of the NSSP in achieving its objectives and vision.

However, further periodic evaluations may be performed as appropriate, according to the NSSP Working Group and ES.

The table below presents some of the M&E indicators of the NSSP, which should be further expanded by the M&E working group once the strategy is adopted and the group is created.



Table 14:
M&E Indicators



Objective 1: Poverty Reduction

Indicators:

Proportion of the population living below the poverty line (national and international poverty line) by sex, age group, vulnerable groups and municipality (poverty incidence);

Proportion of individuals legally covered by social protection programs, by sex, age group, vulnerable groups and municipality (legal coverage);

Proportion of individuals actually covered by social protection programs, by sex, age group, vulnerable groups, and municipality (effective coverage);

Proportion of the disabled population covered by social protection programs by sex, age group and municipality (effective coverage);

Proportion of children benefiting from Merenda Escolar by sex, age group and municipality (effective coverage);

Proportion of households with children benefiting from Bolsa da Mãe by municipality (effective coverage);

Average monthly value of non-contributory cash benefits as a proportion of the national poverty line (adequacy);

Frequency and duration of cash benefits.



Objective 2: Improving and Expanding Social Security for Workers

Indicators:

Proportion of workers of working age and employers in the formal sector registered and contributing to social security, by age, sex, sector of activity and municipality;

Proportion of workers of working age in the informal sector registered and contributing to social security, by age, sex, sector of activity and municipality;

Proportion of workers registered in the social security system receiving benefits by type of benefit, sex, age group and municipality.



Objective 3: Institutional Development

Indicators:

Number of staff trained/capacitated to improve the management, implementation and monitoring of social protection programs;

Development and approval of a system of statistics on social protection;

Approval of the Basic Law on Social Protection.

3.4. Resource Mobilization and Financial Sustainability

To achieve the objectives proposed in the NSSP, adequate resources are needed to implement priority activities. The NSSP relies primarily on the use of domestic resources to finance its activities but encourages international cooperation to collaborate in the implementation of specific activities and also to offer support through technical assistance, funded by external sources.

In order to assess the financial commitments proposed by the NSSP, costs have been estimated for some of the reforms proposed herein. These estimates seek to reflect the expansion of coverage of non-contributory cash transfers and/or the increase in benefits amounts. Other types of reforms, such as those related to the social security contributory scheme or related to changes in operations and coordination of programs or qualitative recommendations, require further studies that are also included in the activities proposed in the present Strategy.

Budgeted reforms for the Bolsa da Mãe program include: the introduction of universal eligibility for children under 5 years, starting in pregnancy; the introduction of universal eligibility for children with disabilities with an increase and adjustment of the benefit amount. The reform of the Merenda Escolar program implies the total allocation of the planned budget and the adjustment of the benefit amount to half of the food poverty line. For the elderly, the costs of introducing an inflation-indexed mechanism for the SAIL benefit and a wealth test (excluding those with higher incomes) were estimated. Finally, the costs of introducing incentives for pregnant women/mothers to perform the recommended maternal and child exams were also estimated (4 prenatal and 2 postnatal).

Considering the adoption of the present Strategy in 2021 and the introduction in 2022 of reforms in the Bolsa da Mãe program, the SAIL and the introduction of provisions for children with disabilities and maternal and child healthcare, the estimated costs are 1.7% of non-oil GDP on that year (and an increase of 152,837 in the number of beneficiaries).

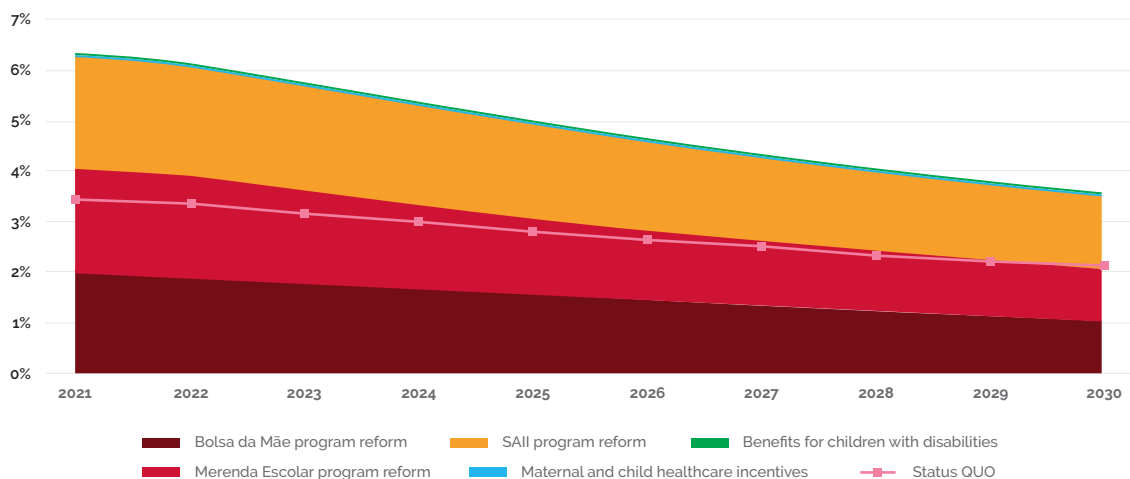
This would add to the 5.2% of non-oil GDP that will be needed for the implementation of the programs with their current design (Figure 9), adding up to a total cost of 6.9% of non-oil GDP for the NSSP in 2022.

However, given the expected growth of the country's population and economy over the next 10 years, in 2026 the resources required for the reforms recommended by the NSSP would decrease from 1.7% to 1.2%, eventually representing only 0.9% of the non-oil GDP in 2030.

In total, the expenditure in the reformed versions of the Bolsa da Mãe, Merenda Escolar and SAI programs, along with the introduction of provisions for children with disabilities and for maternal and child healthcare will represent around 3% of the non-oil GDP in 2030, or the equivalent of 6.6% of the total public expenditure. This investment would allow an increase in the number of beneficiaries by around 22%, representing 828,071 beneficiaries.

Figure 9:

Estimated costs of reforms (per program) and status quo as a % of non-oil GDP, 2021-2030



These estimates should be interpreted as indicative and represent the necessary costs to fulfill the vision proposed by the NSSP from the first year of its implementation. In addition, cost estimates focused on the more ambitious versions of the reforms proposed by the NSSP. The short and medium-term implementation plans should analyze the economic context and the fiscal space available for each period and, whenever the existing budget is not enough to cover the full implementation of any given measures, partial implementation modalities should be proposed in order to achieve a gradual implementation of the Strategy.

Chapter 4:

Impact of the NSSP Implementation on Costs and Number of Beneficiaries

This chapter presents the impact of the NSSP implementation on the costs of each individual program (sections 5.1, 5.2 and 5.3) and overall (section 5.4), as well as the estimated number of beneficiaries, assuming scenarios resulting from the various reforms compared to the current scenario (status quo).

4.1 Economic Projections

The following table presents the projections for the main economic indicators, used to calculate the costs of each program between 2021 and 2030. The projections indicate a contraction of the GDP by 2023, but a rapid recovery from 2024 onwards. Inflation is expected to remain stable from 2023 onwards, while productivity is expected to decrease over the period considered. Labour market conditions are expected to improve, including an increase in the labour force participation rate and a decrease in the informal sector.

Table 15:
Economic projections (2021-30)

Indicators	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Real non-oil GDP (million USD)	1522	1568	1521	1459	1386	1302	1209	1111	1010	907
Real non-oil GDP growth (%)	3.5%	3.1%	-3.0%	-4.0%	-5.1%	-6.1%	-7.1%	-8.1%	-9.1%	-10.1%
Inflation Rate (%)	0.5%	1.1%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
Public Revenue (million USD)	1280.8	533.5	561.1	588.2	614.7	640.9	666.7	692.1	718.2	743.9
Public Expenditure (million USD)	1117.2	1180.1	1233.0	1294.3	1361.6	1434.2	1513.5	1597.3	1672.1	1750.1
Labour Force Participation Rate (%)	31.5%	31.9%	32.3%	32.7%	33.1%	33.5%	33.9%	34.3%	34.7%	35.1%
Employment Informality Rate (%)	68.5%	68.1%	67.7%	67.3%	66.9%	66.5%	66.1%	65.7%	65.3%	64.9%
Labour Productivity (USD per employee)	2570	2560	2401	2229	2050	1862	1674	1488	1308	1137

4.2 Projection of Costs and Number of Beneficiaries versus Changes in Existing Programs

This section presents the variation, in costs and number of beneficiaries, with the introduction of reforms in some existing programs proposed in the NSSP for the period 2021-2030. The upper part of each table shows cost estimates and projections for each program if no reforms are implemented (status quo). This scenario is calculated assuming that the real value of the benefits remains constant over the period considered, taking into account that each year the nominal value of each benefit is adjusted to inflation. The middle part of the table presents cost estimates and projections and the number of beneficiaries resulting from the reforms proposed on the NSSP from 2021 onwards. Finally, the lower part of the table shows the comparison between the two scenarios and their respective results.

4.2.1 Bolsa da Mãe Program

The proposed reform for the Bolsa da Mãe program presented in Table 16 below represents the most ambitious scenario captured from the NSSP vision. This reform includes the conversion to a universal program for children up to five years (maintaining the current format for children aged 6 to 17 years), and a duplication of the amount received by each child (increase from 5 USD to 10 USD). The goal of exploring the most ambitious scenario is to illustrate the maximum cost of the reforms proposed for this program. Intermediate scenarios should be developed in the short- and medium-term implementation plans, in case of gradual implementation of these reforms due to limitations in the fiscal space over the years. This may include, for example, applying universality only to a smaller age group (e.g., only for the first 1000 days of life) or increasing the monthly benefit amount at a later stage.

Table 16:

Estimates and projections of costs and number of beneficiaries resulting from reforms in the Bolsa da Mãe program (2021-30)

Parameters	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Status Quo: Maintain registration fees and level of benefits constant in real terms.										
Number of Beneficiaries	158 657	158 013	157 411	156 859	156 337	155 887	155 546	155 266	155 006	154 724
Benefit per person (USD)	60	61	61	62	62	62	63	63	63	64
Projected Cost (million USD)	9.62	9.69	9.70	9.72	9.74	9.76	9.79	9.83	9.86	9.90
as a % of non-oil GDP	0.50%	0.48%	0.44%	0.41%	0.38%	0.35%	0.32%	0.30%	0.28%	0.26%
as a % of public expenditure	0.86%	0.82%	0.79%	0.75%	0.72%	0.68%	0.65%	0.62%	0.59%	0.57%
Proposed Reform: Universal for children from 0 to 5 years old, income test for children from 6 to 17 years old, the benefit increases to 10 USD per month (2019 values) and is kept constant in real terms										
Number of Beneficiaries	296 356	294 496	292 951	291 736	290 827	290 481	290 617	290 867	291 189	291 541
Benefit per person (USD)	125	126	127	127	128	129	129	130	131	131
Projected Cost (million USD)	40.62	40.81	40.81	40.86	40.94	41.11	41.35	41.60	41.87	42.14
as a % of non-oil GDP	2.11%	2.03%	1.87%	1.73%	1.59%	1.47%	1.37%	1.27%	1.18%	1.10%
as a % of public expenditure	3.50%	3.33%	3.19%	3.04%	2.90%	2.76%	2.63%	2.51%	2.41%	2.32%
Estimated differences between status quo and the program after the proposed reform										
Number of Beneficiaries	137 699	136 483	135 540	134 877	134 490	134 594	135 071	135 601	136 183	136 816
Projected Cost (million USD)	29.49	29.61	29.60	29.62	29.69	29.83	30.02	30.23	30.45	30.68
as a % of non-oil GDP	1.53%	1.47%	1.36%	1.25%	1.16%	1.07%	0.99%	0.92%	0.86%	0.80%
as a % of public expenditure	3.64%	3.46%	3.31%	3.16%	3.01%	2.87%	2.73%	2.60%	2.50%	2.41%

According to the projections for the status quo scenario, the number of beneficiaries and the costs of the Bolsa da Mãe program (as a % of non-oil GDP) will gradually decrease between 2021 and 2030. In this scenario, the program will have 154 724 beneficiaries by 2030, and will cost around 0.26% of the GDP (compared to 0.50% in 2021). It should be noted that this will be the case, even assuming an annual increase in the value of benefits to compensate for rises in prices (i.e., inflation).

The first major difference of the proposed reform is the significant increase in the number of beneficiaries, which would reach 291,541 in 2030, representing almost twice the number projected in the previous scenario. In terms of costs, after full implementation of the proposed reforms, the program would cost 1.10% of non-oil GDP or 2.32% of the total government expenditure in 2030.

In the short-term, the full implementation of these reforms would represent an increase of around 30 million USD per year. Alternatively, keeping the program unchanged will require a budget of 10 million USD in 2021, if registration fees and the number of new beneficiaries per year remain constant.

4.2.2 Merenda Escolar Program

The following table presents estimates of the variation in costs and in the number of beneficiaries for the proposed reform in the Merenda Escolar program. This reform includes an increase in the available amount per child and per meal to 0.42 USD, which represents half of the food poverty line.

Table 17:

Estimates and projections of costs and number of beneficiaries resulting from reforms in the Merenda Escolar program (2021-30)

Parameters	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Status Quo: Maintain coverage and benefit levels constant in real terms.										
Number of Beneficiaries	405 535	404 889	404 010	402 755	400 951	398 355	395 296	392 237	389 297	386 878
Benefit per person (USD)	52	53	53	53	54	54	54	55	55	55
Projected Cost (million USD)	13.72	13.85	13.89	13.92	13.93	13.91	13.88	13.84	13.81	13.80
as a % of non-oil GDP	0.71%	0.69%	0.64%	0.59%	0.54%	0.50%	0.46%	0.42%	0.39%	0.36%
as a % of public expenditure	1.23%	1.17%	1.13%	1.08%	1.02%	0.97%	0.92%	0.87%	0.83%	0.79%
Proposed reform: Provide half of the Food Poverty Line amount (0.42 USD per school day, 200 days per year), kept constant in real terms										
Number of Beneficiaries	405 535	404 889	404 010	402 755	400 951	398 355	395 296	392 237	389 297	386 878
Benefit per person (USD)	85	86	86	87	87	88	88	89	89	90
Projected Cost (million USD)	37.96	38.08	38.42	38.50	38.53	38.48	38.39	38.29	38.21	38.17
as a % of non-oil GDP	1.97%	1.89%	1.76%	1.63%	1.50%	1.38%	1.27%	1.17%	1.08%	0.99%
as a % of public expenditure	3.40%	3.23%	3.12%	2.97%	2.83%	2.68%	2.54%	2.40%	2.29%	2.18%
Estimated differences between <i>status quo</i> and the program after the proposed reform										
Number of Beneficiaries	0	0	0	0	0	0	0	0	0	0
Projected Cost (million USD)	24.24	24.24	24.53	24.58	24.60	24.57	24.51	24.45	24.39	24.37
as a % of non-oil GDP	1.26%	1.20%	1.12%	1.04%	0.96%	0.88%	0.81%	0.75%	0.69%	0.64%
as a % of public expenditure	2.17%	2.05%	1.99%	1.90%	1.81%	1.71%	1.62%	1.53%	1.46%	1.39%

Given the nature of the proposed reform, there is no variation in the number of beneficiaries of the program. The costs associated with the reform would represent an increase of 24 million USD in the program

budget for 2021. Thus, the new version of the Merenda Escolar program would cost 1.97% of non-oil GDP in 2021, which would be reduced to 0.99% in 2030, given the economic growth expected up to 2030.

4.2.3 Allowance for the Support of the Elderly and Invalids

The proposed modifications to the SAIL program would result in a reduction in costs and in the number of beneficiaries. Both estimates are presented in the table below.

Table 18:
Estimates and projections of costs and number of beneficiaries resulting from reforms in the SAIL program (2021-30)

Parameters	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Status Quo: Maintain occupancy rates and benefit levels constant in real terms..										
Number of Beneficiaries	106 322	108 675	111 064	113 653	116 548	119 752	123 232	126 977	130 956	135 138
Benefit per person (USD)	374	378	380	382	384	386	388	390	392	394
Projected Cost (million USD)	43.72	45.18	46.42	47.75	49.22	50.84	52.60	54.48	56.48	58.59
as a % of non-oil GDP	2.27%	2.25%	2.13%	2.02%	1.92%	1.82%	1.74%	1.66%	1.59%	1.53%
as a % of public expenditure	3.91%	3.83%	3.76%	3.69%	3.62%	3.55%	3.48%	3.41%	3.38%	3.35%
Proposed Reform: Program subject to a wealth assessment and constant level of benefits in real terms.										
Number of Beneficiaries	101 994	104 250	106 542	109 026	111 803	114 876	118 215	121 808	125 627	129 639
Benefit per person (USD)	374	378	380	382	384	386	388	390	392	394
Projected Cost (million USD)	41.94	43.34	44.53	45.80	47.22	48.77	50.46	52.26	54.19	56.21
as a % of non-oil GDP	2.18%	2.15%	2.04%	1.93%	1.84%	1.75%	1.67%	1.59%	1.53%	1.46%
as a % of public expenditure	3.75%	3.67%	3.61%	3.54%	3.47%	3.40%	3.33%	3.27%	3.24%	3.21%
Estimated differences between status quo and the program after the proposed reform										
Number of Beneficiaries	-4328	-4424	-4522	-4628	-4745	-4876	-5017	-5169	-5330	-5499
Projected Cost (million USD)	-1.78	-1.84	-1.89	-1.94	-2.00	-2.07	-2.14	-2.22	-2.30	-2.38
as a % of non-oil GDP	-0.09%	-0.09%	-0.09%	-0.08%	-0.08%	-0.07%	-0.07%	-0.07%	-0.06%	-0.06%
as a % of public expenditure	-0.16%	-0.16%	-0.15%	-0.15%	-0.15%	-0.14%	-0.14%	-0.14%	-0.14%	-0.14%

The introduction of a wealth test for SAIL beneficiaries would lead to savings of 1.78 million USD in 2021, and of 2.38 million USD due to the reduction in the number of beneficiaries, which would represent 5499 less beneficiaries in 2030. This suggests that only a small fraction of the current beneficiaries would be withdrawn from the program (around 4%), but the changes would result in significant savings that could be redirected to other programs.

4.3 Projection of Costs and Number of Beneficiaries Resulting from the Introduction of New Provisions

This section presents the estimates and projections of costs and number of beneficiaries resulting from the introduction of some of the provisions proposed in the NSSP. As in the previous sections, estimates and projections cover the period 2021-2030.

4.3.1 Benefits for Children with Disabilities

Table 19 shows the costs and the number of beneficiaries resulting from an increase in the Bolsa da Mãe allowance for children with disabilities, to match the values provided by the SAIL program, i.e., an increase from 5 USD/month to 30 USD/month. Similarly to the previous topics in this chapter, values are adjusted each year to ensure that the real benefit value remains constant over the period considered.

Table 19:

Estimates and projections of the costs and number of beneficiaries resulting from the increase in the Bolsa da Mãe allowance for children with disabilities (2021-30)

Parameters	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Proposed Reform: Increase in the Bolsa da Mãe allowance for children with disabilities, to match the values of the SAIL program, kept constant in real terms.										
Number of Beneficiaries	1441	1435	1430	1425	1420	1416	1413	1410	1408	1405
Benefit per person (USD)	372	374	378	380	382	384	386	388	390	392
Projected Cost (million USD)	0.59	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.61	0.61
as a % of non-oil GDP	0.03%	0.03%	0.03%	0.03%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%
as a % of public expenditure	0.05%	0.05%	0.05%	0.05%	0.04%	0.04%	0.04%	0.04%	0.04%	0.03%

The changes proposed by the introduction of this provision will benefit more than 1400 children per year, costing approximately 590,000 USD in 2021 and up to 610,000 USD in 2030 (representing however a smaller fraction of both non-oil GDP and public expenditure).

4.3.2 Benefits of Maternal and Child Healthcare

This section analyses the costs to finance incentives for mothers to attend prenatal and postnatal consultations. The incentives would be 5 USD per visit up to a maximum of four prenatal visits, and 10 USD per visit up to a maximum of two postnatal visits. In total, each mother will receive a maximum of 40 USD if she attends a total of six visits during the period covered.

Table 20:

Estimates and projections of costs and number of beneficiaries arising from the introduction of incentives for maternal and child healthcare (2021-30)

Parameters	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Proposed reform: Benefit of 5 USD per visit up to four prenatal visits and 10 USD per visit up to two postnatal visits, kept constant in real terms.										
Number of Beneficiaries	18 025	18 112	18 157	18 158	18 107	18 168	18 342	18 473	18 562	18 608
Benefit per person (USD)	42	42	42	42	43	43	43	43	44	44
Projected Cost (million USD)	0.82	0.84	0.84	0.85	0.85	0.86	0.87	0.88	0.89	0.90
as a % of GDP	0.04%	0.04%	0.04%	0.04%	0.03%	0.03%	0.03%	0.03%	0.03%	0.02%
as a % of public expenditure	0.07%	0.07%	0.07%	0.07%	0.06%	0.06%	0.06%	0.06%	0.05%	0.05%

4.4 Projection of Costs and Number of Beneficiaries Resulting from the Full Implementation of the NSSP

The last section of this chapter shows a comparison between the total variation in the number of beneficiaries and costs resulting from the full implementation of the NSSP vision for social protection in Timor-Leste by 2030.

As for the status quo scenario, the only changes to the programs refer to the necessary adjustment to keep the real values of the benefits constant.

It should be stressed that the reforms proposed and examined in this chapter represent the most ambitious scenario proposed by the NSSP, assuming its full implementation by 2030. The short and medium-term implementation plans should present a detailed analysis of the costs to identify which of the proposed changes can be executed each year in order to achieve full implementation by 2030.

Table 21:

Estimates and projections of costs and number of beneficiaries resulting from the full implementation of the NSSP (2021-30)

Parameters	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Status Quo										
Number of Beneficiaries	670 514	671 577	672 485	673 268	673 837	673 994	674 075	674 480	675 260	676 740
Projected Cost (million USD)	67.1	68.7	70.0	71.4	72.9	74.5	76.3	78.2	80.2	82.3
as a % of non-oil GDP	3.5%	3.4%	3.2%	3.0%	2.8%	2.7%	2.5%	2.4%	2.3%	2.1%
as a % of public expenditure	6.0%	5.8%	5.7%	5.5%	5.4%	5.2%	5.0%	4.9%	4.8%	4.7%
Proposed Reforms										
Number of Beneficiaries	823 351	823 183	823 090	823 100	823 108	823 295	823 883	824 795	826 083	828 071
Projected Cost (million USD)	121.9	123.7	125.2	126.6	128.1	129.8	131.7	133.6	135.8	138.0
as a % of non-oil GDP	5.2%	5.0%	4.7%	4.4%	4.1%	3.9%	3.6%	3.4%	3.2%	3.0%
as a % of public expenditure	8.9%	8.6%	8.3%	8.0%	7.8%	7.5%	7.2%	7.0%	6.8%	6.6%
Total difference										
Number of Beneficiaries	152 837	151 606	150 605	149 832	149 271	149 301	149 808	150 315	150 823	151 330
Projected Cost (million USD)	54.9	55.0	55.2	55.2	55.2	55.3	55.4	55.5	55.6	55.7
as a % of non-oil GDP	1.7%	1.6%	1.5%	1.4%	1.3%	1.2%	1.1%	1.0%	0.9%	0.9%
as a % of public expenditure	2.9%	2.8%	2.6%	2.5%	2.4%	2.3%	2.2%	2.1%	2.0%	1.9%

The introduction of all the changes proposed in the present NSSP from the first year of implementation would represent an increase in the number of beneficiaries above 22%. This would mean that 150,000 more individuals would benefit from different social protection programs each year. In 2030, this would result in almost 830,000 beneficiaries, a significant increase comparing to the expected 676,740 beneficiaries if none of the proposed reforms are implemented⁴⁸.

As for costs, the changes proposed by the NSSP in the first year of implementation would represent an additional cost of 1.7% of non-oil GDP, gradually decreasing to 0.9% of GDP by 2030. In nominal terms, compared to the status quo, costs for social protection programs would rise from 67 million USD to 122 million USD. In 2030, the figure would increase to 138 million USD, although this increase is smaller than the expected economic growth over the same period.

Finally, it should be stressed that the estimates in this chapter are based on the economic projections presented in section 5.1. Any changes in the country's demographic and socioeconomic context will always lead to a deviation from the estimates presented. Moreover, many of the data used to model economic indicators refer to periods already distant from the current reality, such as the 2015 Census, resulting in discrepancies between the official numbers for the variables in question and the estimates presented in this report; these, however, represent the most approximate estimates and projections based on the available data. Short- and medium-term implementation documents should consider updating these estimates based on more recent data as soon as it becomes available in the future.


⁴⁸ It is important to stress that this does not necessarily mean that 830,000 Timorese will benefit from social protection, as the same individual may be eligible for more than one program; for example, a woman at the end of her pregnancy can have access to the maternal and child benefits introduced by the NSPS but could also be eligible for the Bolsa da Mãe program.

Annex I:

List of Priority Activities envisioned in the NSSP

Table 22 shows all priority activities identified in the NSSP and the corresponding year of implementation.

Table 22:
Complete list of the Priority Activities envisioned in the NSSP

N°	Activity Description	SHORT-TERM			MEDIUM-TERM			LONG-TERM			
		2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
 Objective 1 – Reducing Poverty											
1.1. Expanding Support to the Most Vulnerable Groups											
1.1.1	Assess the coverage, adequacy and potential impact of the programs on the most vulnerable groups (including gender breakdown), as well as the opportunities to improve the efficiency and effectiveness of the social protection system.		X	X							
1.1.2	Review and approve the national policy for people with disabilities	X	X								
1.1.3	Develop a disability table to standardize the identification of types and levels of invalidity/disability.	X	X								
1.1.4	Ensure the universal coverage of children with disabilities by the Bolsa da Mãe program, in a similar amount to the one offered by the SAIL.		X								
1.1.5	Establish the National Council for the Integration of People with Disabilities, equally represented by men and women.	X	X								
1.1.6	Ratify the International Convention on the Rights of Persons with Disabilities;		X								
1.1.7	Assess the establishment of provisions to support rural workers who lose their yield/harvest.			X	X	X	X	X	X		
1.2. Improving the System of Social Cash Transfers											
1.2.1	Develop an indicator to index the value of social protection benefits, independent from the value of the minimum wage in the public sector.		X	X							
1.2.2	Verify the possibility of introducing an affluence test in the SAIL and Bolsa da Mãe, taking into account the data of the contributory scheme and other data sources available to the Government.		X	X							

N°	Activity Description	SHORT-TERM			MEDIUM-TERM			LONG-TERM			
		2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
1.2.4	Start the application of the new indexing mechanism to all programs involving cash transfers on an annual basis.		X	X							
1.2.5	Develop a single and integrated benefit payment system for all social protection programs.	X	X	X							
1.3 Increasing Nutrition Support											
1.3.1	Make the Bolsa da Mãe program universal for children up to 3 years old.	X	X	X	X						
1.3.2	Review the implementation processes of the Merenda Escolar program, including acquisition and preparation of food, and supplier selection, according to quality and transparency standards.	X	X	X	X						
1.3.3	Review school menus in order to meet the nutritional needs of children.	X	X	X	X						
1.3.4	Coordinate social protection interventions with Food, Nutritional and Hygiene Education programs in communities.	X	X	X	X	X	X	X	X	X	X
1.4 Facilitating Access to Healthcare and Education											
1.4.1	Propose ways to improve ambulance services, facilitating contact with the service, expanding its availability and reducing response times.		X	X	X						
1.4.2	Assess the feasibility to refund private transportation expenses to healthcare facilities in emergency situations and for people in vulnerable situations.					X	X	X	X		
1.4.3	Assess the costs and impact of making SISCA and Health in the Family programs more regular and predictable, including more frequent visits and a wider range of services offered to the communities and to all citizens.		X	X	X	X	X	X	X		
1.4.4	Integrate, as far as possible, information between the provision of healthcare services and the provision of social benefits, including records and administrative databases.					X	X	X	X	X	X
1.4.5	Create mechanisms to reduce the costs associated with access to healthcare or introduce incentives for mothers to attend prenatal and postnatal exams.		X	X	X						
1.4.6	Review the possibility of integrating the incentives for mothers to attend prenatal and postnatal exams in the Bolsa da Mãe program.	X	X	X	X	X	X	X	X	X	X
1.4.7	Carry out health-related education and awareness-raising actions, removing barriers that limit the access to services in social protection programs.	X	X	X	X	X	X	X	X	X	X
1.4.8	Propose measures to eliminate barriers to access school, taking into account any assessments already developed by government agencies.	X	X	X	X						

N°	Activity Description	SHORT-TERM			MEDIUM-TERM			LONG-TERM			
		2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
1.5 Strengthening Disaster Prevention and Response											
1.5.1	Delineate the strategic and operational responsibilities of the different government institutions when responding to natural disasters, humanitarian crises and other covariate shocks.	X	X								
1.5.2	Explore options for strengthening the capacity of social protection in preventing and responding to natural disasters, humanitarian crises and other covariate shocks, through flexibility and adaptability of programs and systems, including the integration of information systems.	X	X	X	X						



Objective 2 – Improving and Expanding Social Security for Workers

2.1 Developing the Contributory Social Security System											
2.1.1	Consolidate the Contributory Social Security Scheme.	X	X	X	X	X					
2.1.2	Study the introduction of a provision in the event of illness, including a special scheme for conditions threatening public health.	X	X								
2.1.3	Ensure the involvement and participation of all stakeholders in the Contributory Social Security scheme, especially social partners.	X	X								
2.1.4	Create and regulate a minimum value for pensions.	X	X								
2.1.5	Explore the possibility of implementing unemployment insurance.			X	X	X					
2.1.6	Explore the possibility of implementing Family Allowance.						X	X	X	X	
2.2 Developing the National Institute of Social Security (INSS)											
2.2.1	Develop INSS as a modern, efficient and transparent institution.	X	X	X	X	X	X	X	X		
2.2.2	Explore opportunities for synergies and scale gains through the integration of contributory and non-contributory social security schemes.	X	X	X	X						
2.2.3	Consider the possibility of creating the position of social security inspectors.	X	X								
2.2.4	Create mechanisms to encourage workers in informal jobs, subsistence farming and other vulnerable jobs to participate in the social security system.	X	X	X	X						



Objective 3 – Institutional Development

3.1 Coordinating and Integrating Programs

N°	Activity Description	SHORT-TERM			MEDIUM-TERM			LONG-TERM			
		2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
3.1.1	Develop a model of interministerial coordination between the various social programs, aimed at increasing the effectiveness and efficiency of the programs and activities planned in the NSSP.	X									
3.1.2	Promote the operational coordination of the different social protection programs that interact with each other.	X	X								
3.1.3	Extend and expand operational coordination and decentralized services.	X	X	X	X	X					
3.1.4	Explore actions to harmonize and coordinate information technology services and databases between social protection programs.	X	X	X	X	X	X	X	X	X	X
3.1.5	Integrate Public Work Programs, Rural Employment and Roads for Development, to avoid duplication, profit from economies of scale and improve system efficiency.		X	X	X	X	X				
3.2 Empowering Human Resources											
3.2.1	Establish a capacity building plan for social protection activities based on the analysis and categorization of current capacities.	X	X	X	X	X	X	X	X	X	X
3.2.2	Systematically explore the opportunities of the Human Capital Development Fund to respond to human resource empowerment needs in the area of social protection, ensuring gender parity.	X	X	X	X	X	X	X	X	X	X
3.2.3	Promote training courses in the area of social protection.	X	X	X	X	X	X	X	X	X	X
3.2.4	Create and train teams in the area of social protection so that they can provide support at a decentralized level.	X	X	X	X	X					
3.3 Establishing a Monitoring and Evaluation System											
3.3.1	Create an interinstitutional working group whose mission will be to develop and implement the NSSP M&E system and set the basis for national social protection statistics and indicators.	X	X								
3.3.2	Analyze the costs, resources and information needed to develop the area of national social protection statistics and indicators.	X	X								
3.3.3	Analyze the possibility of creating a cross-sectional unit of M&E in the MSSI organic.	X	X								
3.4 Strengthening the Legal Basis of Social Protection											
3.4.1	Create the Basic Law on Social Protection and its regulation.	X	X								
3.4.2	Review the existing legislation social on protection.	X	X	X							
3.5.3	Strengthen the legal basis of the programs that have been implemented only by ministerial decree.	X	X	X	X						
3.5 Improving Financing and Budget Planning											
3.5.1	Carry out multiannual budgetary planning, taking into account changes in demographics and demand for rights and services in the short-, medium- and long-term.	X	X	X	X	X	X	X	X	X	X
3.5.2	Carry out an analysis of public expenditure to reflect upon the reallocation of expenses more effectively.		X	X							
3.5.3	Carry out integrated social protection planning, involving development partners.	X	X	X	X	X	X	X	X	X	X

