



Timor-Leste Workforce Development Strategic Review

Department of Foreign Affairs and Trade

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Acronyms and Abbreviations

AAS	Australia Awards Scholarship
ADB	Asian Development Bank
APTC	Australia-Pacific Technical College
APTC3	Australia-Pacific Training Coalition (APTC Stage 3)
AQF	Australian Qualifications Framework
ATELP	Australia Timor-Leste English Language Program
CNEFP	Centro Nacional de Emprego e Formação Profissional, Tibar (National Centre of Employment and Professional Training)
CNFP SENAI	Centro Nacional de Formação Profissional – Becora
CSC	Civil Service Commission
CTID	Centro Treino Integral e Desenvolvimento, Baucau
DFAT	Department of Foreign Affairs and Trade
DNIMT	National Directorate of Labour Market Information
EDTL	Electricidade de Timor-Leste (East Timor Electricity)
ELC	English Language Centre
ELT	English language training
EOPO	End-of-program outcomes
ESS	Enterprise and Skills Survey
FGD	Focus group discussion
GESI	Gender and social inclusion
GfD	Governance for Development
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit (German Development Agency)
GoA	Government of Australia
GoTL	Government of Timor-Leste
HCDF	Human Capital Development Fund
IADE	Instituto de Apoio ao Desenvolvimento Empresarial (Institute for Support of Business Development)
ICFP	Instituto Católico para Formação de Professores (Catholic Teachers' Training College)
ILO	International Labour Organization
INDMO	National Institute for Labour Force Development
INFORDEPE	Instituto de Formação de Docentes e Profissionais da Educação
KRQ	Key review question

LMAP	Labour Mobility Assistance Program
LSU	Labour Sending Unit
LTA	Long-term adviser
M&E	Monitoring and evaluation
MDF	Market Development Facility
MELF	Monitoring, Evaluation and Learning Framework)
MLSTP	Mid-Level Skills Training Program (ADB)
MoE	Ministry of Education
NGO	Non-government organisation
NQF	National Qualification Framework
NT	Northern Territory
NT DAMA	Northern Territory Designated Area Migration Agreement
PLS	Pacific Labour Scheme
PWD	People with Disabilities
SABER	Systems Approach for Better Education Results (World Bank)
SDRA	Sentru Dezenvolvimentu Rekursu Aprendizajen (Learning Resources Development Centre)
SEJT	Secretariat of State for Youth and Labour
Senai NT	Senai NT English Language Centre, Becora
SEPFOPE	Secretariat of State for Vocational Training and Employment Policy
SMG	Scholarship Management Group
STA	Short-term adviser
STVJ	Sentru Treinamentu Vokasional Juventude (Youth Vocational Training Centre)
SWP	Seasonal Worker Program
TLNQF	Timor-Leste National Qualifications Framework
TOMAK	To'os Ba Moris Diak (Farming for Prosperity)
TVET	Technical and vocational education and training
USAID	United States Agency for International Development
UNTL	National University of Timor-Leste
VSP	Vanuatu Skills Partnership
VTSSP	Vanuatu Technical and Vocational Education and Training Sector Strengthening Program
WDP	Workforce Development Program (refers to any future program)
WDPTL	Workforce Development Program Timor-Leste
WDSR	Workforce Development Strategic Review

Executive summary

Background

Workforce development is central to Timor-Leste – not only to the growth of its economy, but to developing a diversified non-oil economy that is not overwhelmingly dependent on the public sector. Each year over 30,000 Timorese reach working age (GoTL, 2015a). With a labour force participation rate of about 30% (ILO, 2016), this means 9,000 new entrants to the labour market every year. Currently only about 4,000 new jobs are being created per year (SEJT, 2018a). Finding employment for these young people is key to maintaining national stability. Insufficient post-secondary education opportunities and a small formal labour market mean that the majority of the population is engaged in making a living through subsistence agriculture, micro-businesses and unskilled labouring. Significant skill gaps mean that the economy is currently dependent on foreign workers in key occupations. Meanwhile, many Timorese leave the country to seek employment overseas in the UK, Korea or Australia. In 2016, Australia responded to these challenges by amalgamating three previously separate programs to form the Workforce Development Program Timor-Leste (WDPTL), with the overall goal of creating a skilled workforce for a prosperous Timor-Leste. This is to be achieved through three intended end-of-program outcomes of **improved policy and systems for workforce development, more people are workforce ready** and **program beneficiaries utilise their skills, experience or income**. Investment in the program is \$A12.7m for the period 2014–18. It has three components: Australia Awards scholarships and alumni support, skills development and employment, and English language training (ELT). The program provides support to a variety of Government of Timor-Leste (GoTL) agencies, GoTL and private training centres, and the English Language Centre (ELC) of Timor-Leste's National University (UNTL).

Purpose

This Workforce Development Strategic Review was commissioned by the Department of Foreign Affairs and Trade (DFAT) in Timor-Leste. The Review team evaluated the WDPTL and recommended strategic investment approaches and priorities that will inform design of the future workforce development program (WDP) scheduled to commence in 2019. The review focused on answering seven key review questions about relevance, appropriateness, effectiveness and learning (see [Table 1](#)).

Methodology

The strategic review used a mixed-methods approach and multiple data sources in order to provide more valid and reliable findings. Methods included an initial document review, followed by a 19-day in-country visit over January–February 2018. During this time the team conducted over 100 interviews with key stakeholders and three focus group discussions with a) technical and vocational education and training (TVET) trainers, b) Australia Awards alumni and c) people with disabilities (PWD) who had undertaken the WDPTL English for Employability course. The review team conducted preliminary data analysis while in country, principally through three workshops in which key findings were compared against review questions. Preliminary findings and recommendations were presented, discussed and validated at a workshop with the steering committee on 15 February 2018. The authors of the report made final evaluative judgements.

Main findings

Relevance: The workforce development environment in Timor-Leste is challenging. Workforce development initiatives in countries with a comparable context show that there are clear benefits to taking the long view on workforce development and engaging in considered adaptation in response to changing circumstances and new understandings. Other key lessons include the need for high-quality TVET training that responds to the needs of employers and is based on careful analysis of domestic and international labour market requirements. Over the longer term, and as relationships mature, the demonstrated value of high-quality, responsive TVET training can be used to build coalitions for change of the broader TVET system. Creative approaches are needed to reform the TVET to create a more responsive and relevant system. Based on experience in similar countries in the Asia-Pacific region, and Australia's links to labour mobility programs, the Australian development program would have a comparative advantage focusing on the TVET sector in country, while continuing to support the expansion of scholarships for targeted tertiary study in Australia. In the current development context, the most relevant sectors for contributing to economic development are agriculture (to enable import substitution) and export industries such as coffee, tourism and hospitality, and labour services. Timor-Leste has significant skill shortages and gaps. In the private sector these are often filled by foreign workers, in particular in areas such as management, higher-level administration, accounting and book-keeping, and technical and trade skills. Despite an identified need for public sector development of skills in leadership and management to improve service delivery, including for workforce development, this is currently beyond the scope of a WDP and may be better resourced in collaboration with the Governance for Development program. There are few opportunities in Timor-Leste to diversify the currently oil-based economy. However, improved labour mobility with attendant improved incomes and skill development is currently occurring through expansion of the Seasonal Worker Program (SWP). This has the potential, with the right preparation, to expand in the near future through the Pacific Labour Scheme (PLS). Experience gained through these opportunities could also contribute to meeting domestic tourism, hospitality and commercial agriculture needs in a cyclical and mutually reinforcing way.

Effectiveness: DFAT's support for SWP is making an increasingly important contribution to work readiness through a rapidly expanding program. There are opportunities to better support reintegration of SWP to find pathways to employment, establish businesses, access further training or take advantage of new labour mobility. DFAT's support for scholarships and alumni make a small but important contribution, in a crowded scholarship landscape, to more Timorese being work-ready. The number of Australia Awards scholarships (AAS) could be increased by exploring a range of co-funding, sponsorship and partnership arrangements. There is widespread support for AAS supporting a more balanced mix of undergraduate and postgraduate study and short courses.

Currently the WDPTL is unable to meet the high demand for ELT. Although the ELT component of the program has been of short duration, there have been several positive outcomes, but the program's approach to ELT needs consolidation and integration. It is difficult to demonstrate the contribution of the ELC or ELT for secondary school teachers to work readiness. ELT should be prioritised for workforce development investments such as labour mobility, TVET training, scholarships and social inclusion activities. Although current levels of ELT improve the work readiness of both SWP candidates and TVET trainers, it is unlikely to be sufficient to enable them to be competitive against foreign workers in Timor-Leste, or with citizens of Pacific Island countries with English levels suitable for the PLS.

The WDPTL program has made good progress in enhancing the capacity of National Directorate of Labour Market Information staff to collect, analyse and disseminate labour market information; increased the capacity of the Labour Sending Unit to administer the SWP in a responsive manner; and increased the ability of the National Institute for Labour Force Development to engage with stakeholders and administer the quality assurance system. However, some agencies' capacity development is not commensurate with the resources provided by development partners over a long period of time. Progress has been limited by an overall low level of capacity across GoTL agencies. A focus on GoTL capacity to analyse and disseminate labour market information remains important, as does the ability to manage labour mobility programs.

Appropriateness: Work with the GoTL has had positive outcomes and exposed problems, revealing ways to broaden the range of partners and approaches to respond to changing circumstances and emerging opportunities. Currently there is some interaction between DFAT's various investments for workforce development, but impact could be maximised by extending this collaboration through closer working relationships in the future. The program's work to include women and marginalised people has been strong but could be further integrated into all aspects of a new WDP. Challenges for PWD include low school completion, which prevents them from accessing post-secondary education, and discriminatory work practices that make it harder to find employment. WDPTL has ensured greater access for women and marginalised people, and has provided a beneficial "stepping stone" approach in recognition of PWDs' barriers to access to other employment and training opportunities.

Learning: A future WDP will need a longer timeframe, of at least five years, with an option to renew to be effective. It will also require a common understanding of program design and outcomes by the program and implementing partners, realistic outputs and timeframes, revised governance arrangements, careful consideration of the balance of long-term advisers and short-term advisers, and a Monitoring, Evaluation and Learning Framework suited to collecting evidence about outcomes.



Summary of recommendations

In a future WDP in Timor-Leste, DFAT should:

Recommendation 1: include an emphasis on quality TVET training in country that can close existing labour skill gaps currently filled by foreign workers and meet the needs of prospective domestic and international employers.

Recommendation 2: focus on supporting the acquisition of skills that can contribute to the development of identified export industries such as coffee, tourism and labour services and the development of commercial agriculture to enable import substitution. Over the longer term it will be important to take a broad and responsive view of the technical and business skills required to support diversified value chains in these areas.

Recommendation 3: support initiatives that will position Timor-Leste for improved labour mobility opportunities. These should include continuing support for the development of GoTL capacity to manage expanded involvement in the SWP, as well as for the development of relevant Australian-level qualifications in Timor-Leste suitable for participation in the PLS. Ideally these skills, or components of them, will also be relevant for the domestic tourist and commercial agriculture market.

Recommendation 4: deepen the current benefits of the SWP by providing additional reintegration support to returning seasonal workers to find pathways to employment, establish businesses, access further training or take advantage of new labour mobility opportunities.

Recommendation 5: continue to support Australia Awards scholarships and alumni, explore opportunities for co-funding to increase the availability of scholarships, and ensure the relevance of qualifications pursued, and consider restoring the emphasis on undergraduate training.

Recommendation 6: continue to support ELT as a priority and undertake targeted and independent assessments to strengthen its delivery. These assessments should include ELT learning outcomes to date, and whether the current standard of English is adequate for labour mobility, domestic tourism and hospitality purposes. ELT for SWP, AAS, PWD and TVET trainers should continue, but ELT for secondary school teachers and support for the UNTL ELC should not. ELT should be integrated into all other program activities as appropriate and be delivered through existing training institutions, which could be co-funded by the Government of Australia (GoA), and strengthened through partnerships with institutions in Australia or Timor-Leste (where those institutions deliver to the Australian standard).

Recommendation 7: continue to support GoTL capacity to analyse and disseminate labour market information and manage labour mobility programs.

Recommendation 8: demonstrate the value of establishing high-quality Australian-standard TVET qualifications that respond to international and domestic demand to drive domestic TVET reform.

Recommendation 9: continue to work with GoTL but put greater emphasis on partnering with industry, employers and Australian institutions in all areas.

Recommendation 10: greatly increase support for future labour mobility opportunities in and establish linkages with the commercial agriculture, domestic tourism and hospitality sectors, and target the technical and business skills required to support diversified value chains in these areas.

Recommendation 11: ensure other GoA investments are further leveraged for maximum workforce development, in particular the forthcoming PLS, as well as To'os Ba Moris Diak (TOMAK – Farming for Prosperity) and the Market Development Facility, to maximise linkages between labour mobility and development of commercial agriculture and domestic tourism opportunities.

Recommendation 12: plan for a longer-term and more flexible program that is able to respond to emergent opportunities – of at least five years, with an option to renew.

Recommendation 13: In a future WDP in Timor-Leste, DFAT should utilise a “coalitions for change” approach to address complex workforce development issues.



1. Introduction

1.1 Background

The Government of Australia (GoA) provides on-going support to the Government of Timor-Leste (GoTL) to achieve its development goals and national development outcomes. Australia's aid program in Timor-Leste currently has three strategic objectives: improving livelihoods, enhancing human development and strengthening governance and institutions. A performance assessment framework for the Australian development program in Timor-Leste is currently being developed, and will include three strategic themes: economy, people and society. Under the strategic theme of economy, the aid program has three key outcomes: more people are workforce ready, more jobs and a stronger private sector, and improved rural incomes.

The main Australian development program investment in the workforce development sector, the Workforce Development Program Timor-Leste (WDPTL), aims to contribute towards these three economy theme outcomes. The end-of-program outcomes (EOPOs) for WDPTL are:

- improved policy and systems for workforce development;
- people are workforce ready; and
- program beneficiaries utilise their skills, experience or income.

The program in its current form commenced in 2016 and will conclude in December 2018, and is implemented by Palladium. A subsequent program addressing workforce development in Timor-Leste is planned for commencement in 2019.

The GoA in Timor-Leste commissioned a Workforce Development Strategic Review (WDSR) to provide recommendations to inform the design of the next phase of programming.

1.2 Purpose

The review team was charged with evaluating the current WDPTL and recommending strategic investment approaches and priorities to inform a future workforce development program (WDP).

The review had three components:

- Prove (20%): to assess the effectiveness of the GoA's current approach to workforce development programming in Timor-Leste;
- Knowledge (40%): to identify the strengths, challenges, opportunities and demand-side factors in the workforce development sector in Timor-Leste that determine its ability to contribute effectively to a more prosperous Timor-Leste; and
- Improve (40%): to recommend future strategic investment approaches and priorities in workforce development in Timor-Leste to maximise impact and contribution to prosperity.

1.3 Scope

The review covered the WDPTL between its commencement in 2016 and early 2018, with some reference to earlier components included in this program. It focused on answering seven key review questions (**KRQs**), based on evaluation criteria of effectiveness, learning, appropriateness and relevance. The evaluation questions relating to effectiveness and appropriateness focus on the WDPTL (**KRQs 4–6**); the questions relating to learning and relevance are about the broader workforce development sector (**KRQs 1–3 and 7**).

The review considered approaches designed to achieve the Australian development program's outcomes of “more people are workforce ready” and “more jobs and a strong private sector” to identify recommendations for future investments. The team examined the supply side and the demand side and the links between them. The supply side involves increasing the number of people who are work-ready in sectors that contribute to economic growth. The demand side involves developing a workforce which meets the current and future needs of the private and public sectors in Timor-Leste and regionally.

1.4 Key review questions

Table 1 lists the **KRQs** and sub-questions for the review.

Table 1: Key review questions and sub-questions

KEY REVIEW QUESTION	SUB-QUESTIONS
KRQ 1 - Relevance What are the strengths, gaps, and opportunities in the Timor-Leste higher education and TVET sectors relevant to developing a competent workforce in Timor-Leste?	1.1 To what extent does Timor-Leste's TVET and higher education sector produce competent workers? What are the challenges and opportunities? 1.2 How well does the higher education and TVET sector engage with and meet the needs of employers?
KRQ 2 - Relevance In the current Timor-Leste development context, what workforce skills in which specific sectors will contribute most to economic development?	2.1 What evidence is there of skills shortages in Timor-Leste? 2.2 Which priority sectors could make a contribution to economic development? 2.3 How can export of labour be leveraged most effectively for the economic development of Timor-Leste?
KRQ 3 - Relevance In which sectors, in both the public and private domains in Timor-Leste and the region, are there current and future workforce demands, and how should workforce development programming in Timor-Leste respond?	3.1 What other identified or potential workforce demands are there in Timor-Leste and the region, including from future investments by GoTL, donors, and the private sector? 3.2 What type of investment is needed in workforce skills to enable Timorese to respond to the new opportunities provided by the Pacific Labour Scheme? 3.3 What are the ways in the future to ensure better alignment with employers' needs in specific sectors? What structural challenges will need to be addressed?

<p>KRQ 4 - Appropriateness</p> <p>To what extent do DFAT investments promote the right mix of approaches and partners to maximise workforce development in Timor-Leste?</p>	<p>4.1 What are the strengths, gaps and opportunities with respect to maximising workforce development within DFAT's current approaches and partners?</p> <p>4.2 What is the best mix of partners and approaches?</p> <p>4.3 How is WDPTL ensuring women and marginalised people have better access to the benefits and services of the program? What challenges and opportunities are there?</p>
<p>KRQ 5 - Effectiveness</p> <p>To what extent have DFAT investments led to more Timorese people being workforce ready?</p>	<p>5.1 To what extent has WDPTL support for the Seasonal Worker Program (SWP), including from the Secretariat of State for Youth and Labour, contributed to more people being workforce ready? What are the challenges and opportunities?</p> <p>5.2 To what extent have Australian Award scholarships and alumni support contributed to more Timorese being work ready? What are the challenges and opportunities?</p> <p>5.3 Given that English language has been identified more broadly as a priority to make more Timorese work ready, is the current focus of the Australia Timor-Leste English Language Program most effective? What are the challenges and opportunities?</p>
<p>KRQ 6 - Effectiveness</p> <p>To what extent have DFAT investments enhanced the capacity of the Timorese government to develop a stronger workforce in Timor-Leste?</p>	<p>6.1 How and to what extent has the support provided by WDPTL to collect and utilise labour market data produced results which have informed GoTL decision making? What are the opportunities and challenges?</p> <p>6.2 How and to what extent has GoTL leveraged the skills and experience of SWP returnees and DFAT alumni to ensure they are able to make a contribution to a stronger workforce in Timor-Leste?</p> <p>6.3 In what ways have DFAT investments contributed to government counterparts demonstrating improved technical or management capacity?</p> <p>6.4 To what extent are relevant stakeholders (public and private) effectively implementing workforce development policy and system initiatives? What are the challenges and opportunities?</p>
<p>KRQ 7 - Learning</p> <p>Given DFAT's objectives in the sector, what has been learned that could improve existing or new investments in workforce development?</p>	<p>7.1 What are the key lessons from a review of WDPTL?</p> <p>7.2 What are the key lessons from workforce development investments in countries with a comparable context?</p> <p>7.3 How can DFAT's other investments in Timor-Leste be maximally leveraged to contribute to workforce development?</p> <p>7.4 What key lessons can be learned from other bilateral and multilateral donors contributing to workforce development in Timor-Leste?</p>

2. Methodology

2.1 Methods

The strategic review used a mixed-method approach and multiple data sources in order to provide more valid and reliable findings. The methodology consisted of the following components.

A **document review** and synthesis were conducted in order to scope existing knowledge against the **KRQs**; identify gaps; begin to triangulate existing data; identify further documents, individuals and informants for the review; and generate sub-questions – refer Annex A. The review covered documents from Timor-Leste including GoTL strategic plans, national survey results, and reports; documents regarding the Australian development program and its investments in Timor-Leste; reports from other bilateral and multilateral organisations in Timor-Leste; and WDPTL program plans and reports. The review also drew on research on comparable workforce development programs in other countries to describe opportunities, experiences, similar approaches, issues, responses and lessons learned.

Semi-structured **interviews** were conducted over January and February 2018 with over 100 stakeholders relevant to workforce development. Annex B contains a list of these consultations. Interviews allow respondents to express their views in their own terms while providing reliable, comparable qualitative data. An interview guide was developed, comprising an introduction to the purpose of the review and a list of questions and topics to be covered during the conversation, ideally in a particular order. Although a Likert scale was initially used to measure attitudes of employers and training providers to various aspects of workforce development in Timor-Leste, it became apparent that responses were inconsistent with responses in interviews, and the scale was not used in final analysis.

Three separate **focus group discussions** (FGDs) were conducted in February 2018 with TVET trainers, Australia Awards alumni and people with disabilities (PWD) who had undertaken the WDPTL English for Employability course. FGDs are recognised as being particularly effective for needs assessments and project evaluation purposes. They are an efficient way of eliciting candid responses, and through facilitated discussion, enable participants to build on each other's ideas through "piggybacking". FGDs also provide access to a greater number of individuals in a short period of time than individual interviews. While FGDs do not provide as much detail as an interview, they allow deeper exploration of issues than a questionnaire (Leung & Savithri, 2009). FGD participants are also listed at Annex B.

Dr Curtain and Mr Araujo attended the National Directorate of Labour Market Information (DNIMT) Labour Market Information Conference on 8 February, 2018. This provided access to new information and a greater range of stakeholders.

The review team conducted preliminary data analysis while still in country, principally through three workshops designed to analyse findings against review questions. Preliminary findings and recommendations were presented, discussed and validated at a workshop with the Steering Committee on 15 February 2018. The authors of this report made final evaluative judgements.

2.2 Limitations

As with any study of this nature there were several limitations. These included:
a period of political uncertainty, in which Parliament was dissolved in January 2018,
and elections called for May 2018.

- possible selection bias due to a purposive sampling process;
- possible response biases (inherent in all self-reporting methods including interviews, FGDs and surveys); and
- possible measurement error due to respondents not understanding what was being asked, failing to remember relevant information or not giving an accurate response.

2.3 Report structure

Following an introduction and description of methodology, this report sets the context with an assessment of Timor-Leste's workforce development environment, as well as lessons from other relevant programming in Timor-Leste and the region (Chapter 3). Chapter 4 contains a review of DFAT's workforce development investments in Timor-Leste, with a focus on the current DFAT-funded WDPTL and ways that other investments can be more optimally leveraged in future. Chapter 5 proposes a way forward for DFAT workforce development investments in Timor-Leste. Conclusions and consolidated recommendations are provided in Chapter 6. The annexes contain a list of the materials reviewed and cited in this report, and a list of consultations.



3. Timor-Leste's workforce development environment

3.1 The importance of workforce development

Each year over 30,000 Timorese reach working age (GoTL, 2015a). With a labour force participation rate of about 30% (ILO, 2016), this means 9,000 new entrants to the labour market every year. Currently only about 4,000 new jobs are being created per year (SEJT, 2018a). Poor education outcomes mean that there are few people with the skills to take advantage of the jobs that are available. In a country where 41.8% of people live below the national poverty line (GoTL, 2014), finding employment for these young people is key to maintaining national stability. Timor-Leste's future depends on not only growing its economy but more importantly on developing a diversified non-oil economy that is not overwhelmingly dependent on the public sector (ADB, 2015).

The private sector is crucial to the development of a greater range of economic activities that will generate jobs and income for an increasing number of young Timorese.

This will also require an increasing number of people who can respond to incentives to take risks, innovate and solve problems. Their chances of success are increased if they are supported by an enabling workforce development framework, with key components such as a national strategy and governance of that strategy, the introduction of a national qualifications framework, competency-based training, and accountability for results. Of the many things that can improve productivity in the private sector, it has been argued that human capacity is the number one priority. This requires education and skills training and attendant high-quality enterprise supervision, management and leadership (Inder & Cornwell, 2016).

3.2 Factors affecting supply and demand for workforce development

The social and economic context for workforce development in Timor-Leste is shaped by six key features. These are demography, access to education, the role of government expenditure as the main source of jobs, the limited role of the private sector, reliance of the private sector on foreign workers for key positions, and the many Timorese who have migrated overseas to find work.

Like many developing countries, Timor-Leste has a population structure in which children and youth dominate, with 39% of Timorese aged below 15 years and a further 21% aged 15–24 (GoTL, 2015b). This 'youth bulge'¹ places significant pressure on the economy to provide viable livelihoods for young people in a context where only 27% of the working age population (and 11% of youth) are employed, and informal employment is common (GoTL, 2017a). If the many unemployed youth are able to find work there will be a "demographic dividend", but if this does not occur there is a significantly increased risk of conflict (Urdal, 2006).²

1 Youth bulges are defined as a large 15–24 age cohort relative to the adult population.

2 Urdal's cross-national time-series study of all countries for the 1950–2000 period found that the presence of youth bulges increases the risk of conflict outbreak significantly.

In addition, access to education has increased, with more young people in each five-year age cohort continuing onto and completing senior secondary school and undertaking post-secondary qualifications and tertiary education (GoTL, 2015a). These better-qualified young people are also leaving the education system in increasing numbers and hoping to find a reliable means of earning a living.

Domestic private sector employment growth has been slow, and in recent times has contracted, with the 2016 Business Activity Survey showing a 5.1% decrease in private sector employment since 2015 (GoTL, 2016). The 2017 Enterprise and Skills Survey found that employment in Dili decreased by 9.4%, or 5,190 jobs, between January 2016 and October 2017 (SEJT, 2018a). Previously Timor-Leste created many jobs through utilising oil revenues to develop the public service and finance expenditure on infrastructure to create jobs in the formal economy (Freedman, 2015). However, the IMF has forecast that oil's contribution to Timor-Leste's GDP will drop to zero by 2022 (IMF, 2017). Most new employment over the last five years has been in the construction, retail and wholesale service sectors. The construction industry in 2016 accounted for 51% of all profit generated, the highest proportion of all industries (GoTL, 2016). However, these jobs are temporary because they are reliant on project funding. The need to cap public service expansion coupled with diminishing oil revenues means that in the future much more emphasis will need to be placed on private sector development that is not dependent on government expenditure.

Timor-Leste continues to rely on approximately 7,000 foreign workers to provide skills (SEJT, 2018a). The number of foreign workers is estimated to be nine per cent of all employees, however the share of foreign workers in each broad occupation group varies greatly. The Enterprise and Skills Survey 2017 estimated that foreign workers account for one in three craft and related trades workers, one in four managers, one in five professionals and one in six technicians and associate professionals (SEJT, 2018a). Work permit data on occupations for mid-level skills shows the potential for import substitution, if there was a mechanism encouraging employers of foreign workers to transfer their skills to Timorese workers who already have appropriate training.

At the same time, many Timorese are living overseas for the purposes of employment. The 2015 census counted 8,782 people in this category, although the true number is thought to be much higher (GoTL, 2015b). During 2017, 1066 Timorese workers travelled overseas to work on either the South Korea Temporary Workers Program (284) or the Australian SWP (782). Although no figures are available for Timorese who work overseas outside these official programs, an estimated 16,000–19,000 also live in the UK, including Northern Ireland (SEJT, 2018b; Wigglesworth & Boxer, 2017). It is not clear what the impact of the UK's exit from the European Union will have on opportunities for Timorese people to work in the UK, or on future remittances.



3.3 Lessons from other donors in Timor-Leste

This section addresses **KRQ 7.4: What key lessons can be learned from other bilateral and multilateral donors contributing to workforce development in Timor-Leste?**

Finding: The workforce development environment in Timor-Leste is challenging. Key lessons include the need to focus on improving the quality, relevance and oversight of technical and vocational training delivery and ensuring that there is sufficient emphasis on practical experience and work-related soft skills.

This section highlights the outcomes from an application of the World Bank's Systems Approach for Better Education Results (SABER) diagnostic tool to Timor-Leste, and the Asian Development Bank's Mid-Level Skills Training Program (MLSTP). In 2013 the World Bank carried out an assessment of Timor-Leste's progress in implementing workforce development strategy, focused on strategy, system oversight and service delivery. SABER has been applied in 28 countries to date.

In the case of Timor-Leste, the World Bank concluded that whereas many of the strategic and system oversight processes were in place, the capacity to deliver results remained weak. Recommendations for addressing the challenging move from strategy to implementation included (in summary) improving coordination between ministries and agencies, undertaking credible assessments of skills demand, defining the role of technical secondary schools and attendant inclusion in the national quality assurance framework, helping informal training providers to meet quality control requirements in order to join the formal structure of training delivery, and strengthening monitoring and evaluation (M&E) for assessing the system's performance (World Bank, 2014).

The MLSTP (2012–17) was designed to fill the gap in Timor-Leste's construction and automotive trades. The ADB (with a US\$12 million grant) and the GoTL (US\$1 million) funded upgrading of buildings, training equipment and the qualifications of instructors in five training centres. According to a review respondent, and a study of employment outcomes of the program, the program did not meet its ambitious employment-related targets. It was noted many trainees did not intend to work afterwards, and that those who wanted to work often did not have a good understanding of what work involved, lacked soft skills, and did not have the skills to apply for and be interviewed for work. The importance of training meeting both market demand and employer requirements were emphasised, with the need for an identified person in each training centre with responsibility for strengthening links with industry. The MLSTP produced an oversupply of construction graduates and an undersupply of automotive graduates. It was determined that only trainees who wanted to work afterwards should be selected, and that courses needed to have a greater practical component, be linked with internships, ideally be linked to an apprenticeship system, and include a core unit of competency about soft skills for the workplace.

3.4 Lessons from other countries

This section addresses **KRQ 7.2: What are the key lessons that can be learned from workforce development investments in countries with a comparable context?**

It includes reviews of the ADB Good Practice TVET Guide; the DFAT-funded Sri Lanka Skills for Inclusive Growth Program; the Vanuatu Technical and Vocational Education and Training Sector Strengthening Program (VTSSP), and its successor the Vanuatu Skills Partnership (VSP); the Australia-Pacific Technical College (APTC) and its successor, the Australia-Pacific Training Coalition (APTC3).

Finding: Key lessons from workforce development initiatives in countries with a comparable context include the need for high-quality TVET training that responds to the needs of employers and is based on careful analysis of domestic and international labour market requirements. This can involve focusing on a specific sector (e.g. hospitality and tourism) and actively identifying points in the value chain where there is a need for skills training. This may involve using an enterprise training model that brings together employers and industry, like-minded Timorese institutions, and Australian training providers. Another key lesson is that there are clear benefits to taking the long view on workforce development and engaging in considered adaptation in response to changing circumstances and new understandings. Over the longer term, and as relationships mature, demonstration of the value of high-quality, responsive TVET training can be used to build coalitions for change of the broader TVET system.

The **ADB Good Practice in Technical and Vocational Education and Training Guide** is a meta-evaluation that offers three relevant lessons based on assessments of the strengths and weaknesses of regional ADB projects operating over a 10-year period (Francis, 2016). Firstly, the most important factor in the success of training is its relevance to employers and opportunities for employment. Second, the collection and analysis of labour market information and graduate destination surveys requires a clear and simple focus, a willingness of agencies to share information, staff trained to analyse the data and an adequate budget. Thirdly, support for enterprise-based training is important because it is crucial in raising workforce skills in the major countries of the Asian region. Direct links between training providers and employers are needed, with “incentives for employers to take part in directing, advising and evaluating training”. The Guide notes that engaging with employer advisory councils and associations does not produce the same results as engaging with specific enterprise needs and concerns.

The **Sri Lanka Skills for Inclusive Growth Program** is only in the early stages of implementation, but the design offers four key lessons for a future WDP in Timor-Leste (DFAT, 2016). The first is Sri Lanka’s recognition of the inflexibility and lack of responsiveness of its national TVET system to skills demand. The recommended response is to develop a flexible and demand-driven skills supply to improve productivity and incomes. The second lesson is that a WDP should explicitly focus on meeting the skills needs of enterprises. The third is Sri Lanka’s decision to work with small and medium-sized enterprises in the tourism sector. The focus here is not only on hospitality and tourism providers but on other enterprises in the value chain servicing the tourism sector, such as agriculture and food services, construction and maintenance services, transport and vehicle maintenance. The fourth lesson is the importance of connecting with other donors activities in the area of the program’s activity.

The **Australia-Pacific Training Coalition Stage 3 (APTC3) Investment Design Document**

recognises that earlier stages of the APTC demonstrated, amid early scepticism, the value of delivering high-quality technical and vocational training to over 10,000 students (DFAT, 2017a). APTC has also provided a useful model of quality TVET delivery for local institutions to learn from, and student and employer satisfaction rates have been consistently high. The advent of the PLS has resulted in the APTC3 design having a renewed focus on labour mobility, at the same time as seeking to move away from its largely “enclave” mode of operation to date, while seeking a catalytic development role with the national TVET systems in the Pacific.

The new direction proposed anticipates a flexible and adaptable mechanism to solve collective action problems related to skills training provision and to promote TVET reform through building broad-based coalitions or partnerships for reform. These are envisaged as working with like-minded Pacific reformers from enterprises, TVET providers, TVET systems and civil society, as well as selected Australian partners. The design intends that the APTC3-led evolving reform coalitions will provide new opportunities to influence changes to Pacific TVET governance, policymaking and service delivery to become more demand focused, encourage greater labour mobility, and support private sector growth in the Pacific. Also included in the outcomes are the use of partnerships with enterprises to improve employment outcomes for TVET graduates and workplace productivity and the need to work with national TVET providers to lift their performance. APTC3 is now able to move to this next strategic stage, premised on APTC’s long engagement and good reputation in providing quality TVET education.

The scale of APTC3 engagement, coupled with the sole use of English language for training, are not directly applicable to Timor-Leste. However, lessons can be learnt from both the extended engagement of TVET and its demonstration of employer-relevant training, as well as the provision of Australian qualifications that provide pathways to domestic and international employment. TVET in Timor-Leste could build on and expand existing collaborations between Timorese institutions and Australian training providers.

A recent independent evaluation of the **Vanuatu Technical and Vocational Education and Training Sector Strengthening Program (VTSSP)** (2008–16) produced findings, from what is widely recognised as a standout program, that are instructive for the Timor-Leste context (Schofield et.al., 2015). The evaluators emphasised the importance of joining up the dimensions of strategy, oversight and service delivery; the agile facilitation of cross sector cooperation, value-chain approaches; and the value of the long view in which established relationships allow for an incremental, iterative, participatory and adaptive approach to both system and organisational change. The program has been successful in improving income and livelihoods, particularly in the TVET for Tourism subprogram, and has done well on social inclusion. Like APTC, the program is moving to a new Phase, having demonstrated a successful model in an environment where the capacity of the national TVET system has improved and bilateral relationships have matured (DFAT, 2017b). Outcomes for Phase 4 include the development of local entrepreneurship and the local private sector; promotion of social inclusion, with a focus on economic empowerment for women and PWD; the facilitation of flexible domestic and regional training and employment pathways; and a systems approach, with the skills development system as the vector for economic growth, to ensure sustainability of the investment. The new design recognises that there are complex political, systemic, and cultural factors outside of the Program’s direct control that will influence achievement of outcomes. Like the APTC, and the Tonga

Skills Program,³ Phase 4 of the new VSP is focused on ‘thinking and working politically’, in order to develop strategies that are iterative, monitored, and adjusted so that resources, relationships and common interests can be leveraged to contribute to change (DFAT, 2017b).

3.5 The higher education and TVET sector

This section addresses **KRQ 1: What are the strengths, gaps and opportunities in the Timor-Leste higher education and technical and vocational education and training sectors relevant to developing a competent workforce in Timor-Leste?**

Finding: Developing a competent workforce in Timor-Leste requires more targeted and better resourced vocational training that can close existing labour skill gaps currently filled by foreign workers in key areas and meet the needs of prospective domestic and international employers.

Finding: Based on experience in similar countries in the Asia-Pacific region, and Australia’s links to labour mobility programs, the Australian development program is well placed to focus on the TVET sector in country, while continuing to support the expansion of scholarships for targeted tertiary study in Australia.

Timor-Leste has made significant progress in establishing regulatory and policy frameworks for the university and TVET sector. This includes the development of the National Qualifications Framework (TLNQF) in 2010, the National Education Strategic Plan in 2011, the TVET Plan in 2012 (ADB, 2015), and the National Employment Strategy 2017–30. However, there are significant gaps in implementation, coordination, monitoring of outcomes, and budgetary commitment. These gaps diminish the quality, utilisation and relevance of the sector’s institutions and their contribution to developing a competent workforce. Outcomes for this sector continue to be constrained by poorly resourced basic education, with Timor-Leste spending a significantly smaller (and declining) percentage of its budget on education than other countries in the region (Inder & Cornwell, 2017).⁴

Timor-Leste’s workforce training is carried out by a large and varied range of public and private providers and includes secondary schools, both technical and general; post-secondary technical and vocational education and training organisations; and higher education institutions.⁵ There are 31 **technical secondary schools**, of which 12 are publicly managed. In 2014, the World Bank SABER report noted these schools lacked connections to industry; instructors lacked professional qualifications, understanding of pedagogy, and fluency in the official languages of instruction; and opportunities for professional development were few (World Bank, 2014). In 2015, the ADB reported that technical secondary schools suffered from an outdated curriculum, poor infrastructure and equipment, lack of quality assurance, were not covered by the TLNQF, and were critically underfunded. All of these factors contribute to production of students who are not work ready.

3 The Tonga Skills Program seeks to improve the employability of participants in national and overseas labour markets; increase productivity in the workplace and potential for earning higher incomes; provide increased access to entrepreneurial skills to complement technical training for micro, small and medium enterprises; provide equitable access to skills development services for PWD, women and people in the outer islands; and establish new training models to influence reforms in the national TVET sector.

4 In 2015 Timor-Leste spent only 8% of its total budget on education, while Indonesia, Vietnam and Thailand spent 18–20%. Since 2015, Timor-Leste’s education spending has declined to 6%.

5 For the purposes of this review, workforce training provision is taken to include technical secondary schools, TVET training providers and higher education providers. Despite their important contribution, it does not include general secondary schools.

The **post-secondary TVET sector** is comprised of approximately 100 training organisations providing technical and vocational education. Two of these are public institutions – the Centro Nacional de Emprego e Formação Profissional (CNEFP Tibar) and the Centro Nacional de Formação Profissional – Becora (CNFP SENAI) – and the remainder comprise non-government organisations (NGOs), churches and donor-funded organisations. Fifty-six training providers are registered with the Secretariat of State for Youth and Labour (SEJT) and are eligible to receive funding, and 25 are accredited to deliver national-level qualifications. Completion of secondary school is a requirement of entry to an accredited training centre.

The TVET sector is often cited by GoTL and international sources as having great potential for facilitating improved economic outcomes in Timor-Leste (Inder & Cornwell, 2017). Several donors, including DFAT, ADB and the Deutsche Gesellschaft für Internationale Zusammenarbeit (German Development Agency – GIZ), have invested in TVET institutions. However, there are challenges to TVET institutions developing a competent workforce. These include the large number of institutions, low levels of funding, limited effective reach and capacity of the National Institute for Labour Force Development (INDMO), inadequate engagement with employers, low levels of enrolment, and perceived low status of TVET qualifications.

The two public TVET centres are funded directly from the State Budget, with a total allocation in 2017 of US\$673,000. The main funding for the private or community training centres comes from the Human Capital Development Fund (HCDF), but does not appear to be allocated to all centres (GoTL, 2017b). Interviews with training centres reveal that SEPFOP always reduced the budget they requested, by amounts that varied greatly from year to year, but often to below basic operating costs. This is a barrier to paying the statutory minimum wage to trainers.

With INDMO's quality assurance limited to accredited institutions, comprising less than 25% of the total, approximately 75% of the sector is not quality assured according to national standards. The importance of training centres being accredited to international standards, in order to facilitate improved Timorese access to international labour markets, is explicit in the National Employment Strategy. Unfortunately, it became apparent to the review team that there was a mistaken belief within INDMO that Timorese national qualifications are equivalent to Australian qualifications and likely to receive international recognition, when in general this is not the case; future labour mobility will suffer if this misconception is not addressed. It is noted, however, there is a case of a Certificate III in the Timor-Leste National Qualification Framework that is of a higher level than the Australian equivalent.

Although INDMO has established sector-specific industry sub-commissions to provide input into the national training system, there is a weak link between TVET institutions and employers. Whereas donor-funded training and qualifications are demand driven, other qualifications tend to be supply driven. A focus on the supply side has produced a TVET system with low relevance. In interviews the review team frequently heard from employers that they would prefer to carry out their own training, or employ qualified foreign workers, rather than rely on Timor-Leste's TVET system, which was seen as being of low relevance and quality, with little opportunity for students to practice technical skills. Some employers noted that they recruited for attitude over skills, emphasising that soft skills, as well as technical skills, are critical to employability.

Two tracer studies further illustrate these weak links between the TVET system and employers. The 2014 SEPFOPE system-wide survey of TVET graduates showed that only 27% were in employment at the time of the survey (SEPFOPE, 2014); the employment rate for graduates of the better-resourced ADB MLSTP over several years was 41–46% (Francis, 2016).⁶ This is further demonstrated by the Enterprise and Skills Survey (ESS) data for 2016 and 2017, which shows that TVET graduates from training centres only accounted for 6% of all employees hired for the period 2015 to June 2017. The employers who do recruit TVET training centre graduates focus on just a few TVET training centres, with 85% being recruited from Dom Bosco (47%), CNEFP Tibar (16%), Salele (12%) and CNFP SENAI (9%) (SEJT, 2018a; SEPFOPE, 2016).

Lack of engagement with the TVET sector is not confined to employers. Only 12% of Timorese progress from secondary school to TVET training, which compares unfavourably with Indonesia's 41% and Thailand's 34%. Lack of uptake is in part due to a belief that TVET training does not lead to employment, but also due to the low status of TVET training (Francis, 2014). However, data from the SEJT Labour Market Information System database indicates that of those who are unemployed, 67% are looking for opportunities to do vocational training.

High-performing TVET programs that respond to employer requirements can be supported through setting up enterprise-based training.⁷ Flexible training delivery modes could respond to employer needs for specific skill sets⁸ and link with Australian institutions and qualifications where appropriate. The current WDPTL program has achieved positive outcomes through supporting the development of hospitality qualifications and partnering with Charles Darwin University for upskilling trainers and developing learning resources. DFAT is currently investing in a hospitality training centre in partnership with CNEFP. Donor-funded support for enterprise-based training offers the opportunity to demonstrate the value of demand-focused TVET.

The **higher education sector** comprises one public (Universidade Nasionál Timór Lorosa'e – UNTL) and 11 private institutions, most of which offer technical education. UNTL received an allocation of US\$2.95m in the 2017 budget. This compares unfavourably with the allocation of US\$70m (from the HCDF) over four years to 2017 for scholarships to study at 226 overseas universities. Other Timorese universities rely on significant fees from students. The GoTL has recently inaugurated the first of three planned polytechnic institutes in Betano, Manufahi for the provision of technical education in the areas of agriculture, livestock and engineering, though it is understood to be inadequately resourced. The Polytechnic Institute for Hospitality and Tourism in Lospalos and an Academy for Fisheries and Marine Studies in Manatuto have not yet been constructed (GoTL, 2017c).

There are no tracer studies of employment outcomes for UNTL and the review team is unaware of any for other universities. Interviews with employers indicated that graduates were often seen as unprepared for work, either in terms of academic standard or soft skills. Limited analysis conducted by SEJT suggests a serious oversupply of university graduates for the private sector and little unmet demand (SEJT, 2018b).

6 Francis (2016) noted that a major barrier to increasing the number of graduates of the ADB MLSTP obtaining a job after graduation was that one in five students did not actually intend to do so.

7 A good example of this is the Dili-based construction company Community Housing Limited, which became a registered training provider to deliver its own Level III clay bricks qualification on-site at building sites in Suai. Graduates who performed well were then offered ongoing employment with the company.

8 Skill sets are Australian training terminology and consist of units of competency drawn from one or more training packages to suit the individual needs of a business.

It is of note that the average seasonal worker from Timor-Leste, unlike other sending countries, is university educated (World Bank, 2018a). With a small private sector in Timor-Leste, the public service, comprising 38,000 people, could be expected to absorb a significant proportion of university graduates, yet analysis conducted by a GoA adviser indicates only 6% of the civil service has a Bachelor's degree, 1.9% a Masters' degree, and 0.3% a PhD. There are no graduate entry programs in the civil service, and obtaining a Masters' degree is no guarantee of a promotion. Based on experiences in similar countries in the Asia-Pacific region, and Australia's links to labour mobility programs, the Australian development program would be well placed to focus on the TVET sector in country, while continuing to support the expansion of scholarships for targeted tertiary study in Australia.

Recommendation 1: In a future WDP in Timor-Leste, DFAT should include an emphasis on quality TVET training in-country that can close existing labour skill gaps and meet the needs of prospective domestic and international employers.

3.6 Workforce skills and priority sectors for economic development

This section addresses **KRQ 2: In the current Timor-Leste development context, what workforce skills in which specific sectors will contribute most to economic development?**

Finding: In the current development context the sectors with the potential to contribute most to economic development are export industries such as coffee, tourism and hospitality, and labour services; and agriculture (to enable import substitution). There are significant skill shortages and gaps across Timor-Leste. In the private sector these are often filled by foreign workers, in particular in areas such as management, higher-level administration, accounting and book-keeping, and technical and trade skills.

Finding: The public sector must develop skills in leadership and management to improve service delivery, including for workforce development, but this is beyond the scope of a WDP and may be better resourced in collaboration with the Governance for Development (GfD) program.

The critical challenges for economic development in Timor-Leste are to create alternatives to the current dependency on oil and strengthen the private sector. There are few areas in which Timor-Leste has, or can develop, a competitive advantage; there are no big-ticket items or quick fixes. The Timor-Leste Strategic Development Plan 2011–30 prioritises the expansion and modernisation of agriculture, development of the tourism sector, and encouraging higher levels of private sector development across all industries, including in small and micro-businesses (GoTL, 2011). Developing a skilled and relevant workforce is a key component of promoting private sector development and attracting foreign investment.

However, a key to strengthening the private sector is improving the education and skill levels of the public sector. This is critical to support the process of economic diversification and investment through the establishment and management of a clear property regime, a functioning civil and criminal law environment, and promotion of a functional business regulatory environment. These requirements are vast, and beyond the scope of a future WDP. Collaborating with the GfD program to identify targeted areas of attention for the civil service would be beneficial.

Identifying priority sectors

The review identified sectors with potential to grow Timor-Leste's non-oil economy, either through the generation of export revenue or by producing goods and services that replace imports. It also identified where past and future donor investments provide a strong supporting environment for generating commercial activity, especially in areas of large population.

Export income is critical for a country like Timor-Leste where the economy is at an early stage of development and as yet has insufficient “critical mass” to rely on economic development through domestic demand. The sectors that generate export revenue now are coffee, tourism and labour services. Of these, the most important sector in terms of revenue generated is the export of labour services, with remittances a source of income for one in five households (World Bank, 2018a). Over US\$40 million was remitted in 2017 from Timorese living and working overseas, made up of over 85,000 individual payments. The majority of remittances (US\$27 million) came from the UK. Coffee earns between US\$10 million and US\$20 million annually (World Bank, 2018b). Tourism in 2014 is estimated to have generated US\$14 million from 55,000 visitors (SEJT, 2018b). These numbers need to be kept in perspective as they are likely to include all non-Timorese arrivals that do not have a work permit, rather than just tourists.

With negligible manufacturing in Timor-Leste, one of the principal **import substitution** opportunities relates to foodstuffs, which comprised about US\$90m in 2016. This is predominantly in the area of cereals (rice) and meat, with much smaller amounts of items such as eggs, honey, and fats and oils (SEJT, 2018b). Producing these foodstuffs locally is likely to contribute moderately to employment.

Coffee is grown by 27.5% of Timorese households, but yields are low, and the households that rely on coffee for their livelihood are likely to be poor (Freedman, 2016). The United States Agency for International Development (USAID) has made substantial investment in crop rehabilitation, intercropping and crop diversification to improve coffee farm management in rural uplands.⁹ However, it is through the “de-commodification”¹⁰ of Timorese coffee that a niche development market is starting to emerge. This requires not only improvements in productivity and quality, but marketing of specialty coffee based on origin and production processes, with attendant certification, quality assurance and branding (Freedman, 2016).

Tourism has considerable potential, as identified by the GoTL's Tourism Strategy, which seeks to bring 200,000 foreign tourists to Timor-Leste annually by 2030, to increase tourism jobs by 15,000 and to generate US\$150 million in annual tourism revenue (USAID, 2018). In order to achieve these projections Timor-Leste will need to compete with destinations that provide better value for money; and overcome the current requirement to import skills at managerial and supervisory levels.

The GoA-funded Market Development Facility (MDF) is currently partnering with tour operators, a handicraft producer group, a handicraft reseller and boutique hotels. MDF provides support to strengthen linkages back to producers, invest in infrastructure and skills development of the workers and suppliers, and improve sales and marketing.

⁹ <https://www.usaid.gov/timor-leste/project-descriptions/consolidating-cooperative-agribusiness-recovery-timor-leste>

¹⁰ De-commodification in relation to coffee refers to direct sourcing of specialty coffees, rather than pegging prices to a wildly fluctuating world market. For even more premium pricing it may involve marketing of specific growers.

These activities all have an emphasis on creating job and skill development opportunities for women in non-agricultural sectors where women's participation is currently very low. They are also working with destination marketing companies to help address presently limited country branding (MDF, 2016).

USAID has invested in a three-year project called *Turizmu ba Ema Hotu* (Tourism for All) to market Timor-Leste as an off-the-beaten-path destination for adventure travellers and eco-tourists. The project will work to improve and increase the tourism workforce, aiming to create an additional 1,000 tourism-related jobs. In addition, USAID estimates the project will stimulate US\$25 million in eco-tourism and community-based tourism investment and help raise household incomes in targeted communities by 15% over three years (USAID, 2018). Some entrepreneurs are starting to explore the potential of linking specialty coffee “experiences” through niche tourism marketing (Freedman, 2016).

The Australian development program has invested A\$25 million for the period 2016–21 in the **agricultural livelihoods** program TOMAK (Farming for Prosperity). The opportunity exists to stimulate local markets for commercial vegetable and fruit crops to boost import replacement and achieve export opportunities in the longer term. The program aims to support rural entrepreneurs, aspiring commercial farmers and subsistence households in chosen livelihood zones which are conducive to the production of commercial agriculture. This project has the potential to both improve incomes and address food insecurity. USAID's Developing Agricultural Communities program, now replaced by the Avansa Agrikultura Project, supported the engagement of over 500 farmers in horticulture production in Aileu and Ainaro, averaging a return of almost US\$2,000/annum/household. Many communities are now replicating this model with the help of the GoTL and other development partners (DFAT, 2015).

MDF has supported several agro-enterprises to get more agro-inputs to farms and generated positive results. Interviews conducted with four MDF-supported enterprises show the potential for rural entrepreneurs with access to credit to act as brokers and provide finance and advice to help commercial farmers succeed. MDF aims to work more with TOMAK in selected districts to support its work in agro-commodity production (MDF, 2016).

In relation to the **export of labour** services, Australia has made a considerable financial and diplomatic investment since 2012 in setting up and supporting the GoTL to respond to job offers from Australian employers. SWP numbers in Timor-Leste have the potential to increase between 10 and 20 times by 2040, based on medium-growth and high-growth scenario-based forecasts made by the Australian National University and the World Bank (Curtain et.al., 2017). There is strong potential for SWP to link with existing rural development investments supporting commercial agriculture by recruiting from those areas. Future program support for SWP can be designed to support, on a continuing basis, returning workers to develop businesses related to the commercial supply chain being developed in their home area. Another option for generating savings for investment in community tourism is for SWP to recruit Timorese from rural coastal areas, where USAID is setting up destination stewardship councils, to help communities to manage local tourism sites and eco-tourism activities (USAID, 2018).

With a contraction of the private sector, Korea, Australia and elsewhere have been the major sources of jobs for low-skilled Timorese workers, especially those from rural backgrounds. The SWP increased the number of jobs taken up by Timorese from 12 in 2012 to 35 in 2013, to 298 in 2016, and to 781 in 2017.

The South Korea Employment Permit System, which offers low-skilled temporary work, has provided jobs for between 100 and 500 Timorese each year to 2017 (SEJT, 2018b). While to date the largest source of remittances has been from Europe, it is not clear what the impact of the UK's exit from the European Union will have on opportunities for Timorese people to work in the UK, or on future remittances.

Skills shortages

There are currently significant skills shortages and gaps in Timor-Leste in the formal sector and in rural agriculture. Published data and interviews with employers and an employment agency show that in the private sector skill shortages are sometimes filled by foreign workers (SEJT, 2018a). Approximately 9% of the total workforce are foreign employees, including 32% of craft and related trade workers, 24% of managers, and 20% of professionals (SEJT, 2018b).

Two published sources of data identify current non-agricultural skill gaps.

The ESS 2017 notes that the workers most in demand are civil engineering labourers, shop sales assistants, earthmoving and related plant operators, other building workers, shopkeepers, accounting and bookkeeping clerks, motor vehicle mechanics and repairers, and air conditioning and refrigeration mechanics. The 2018 Labour Market Outlook Report identifies the occupations of foreign work permit holders, which include cooks/chefs, bricklayers, shop supervisors, carpenters, restaurant managers, mechanics, electricians, welders, motorcycle mechanics and master bakers. Although there are differences in these lists, there are overlaps, and critically most require vocational training. As new opportunities in tourism and commercial agriculture develop, these skills will be of increasing importance.

In addition, MDF has noted that as new job opportunities are created, new skills are required (MDF, 2016). These may differ from the currently identified skills shortages. Skills will be needed to support investments in tourism, development of commercial agriculture, and supporting services related to the agricultural supply chain that emphasise value-adding to natural products. Identifying these skills at a more specific level, and on an iterative basis, will require close collaboration with GoTL, GoA and other donor investments discussed in this document.

Interviews indicated a need for the development of leadership and management skills in the Timorese public sector. Although the public sector is currently at capacity in terms of numbers, an increased skill level would assist development of an enabling environment for improved job creation.

Labour shortages in rural areas are another key constraint to improving agricultural production (TOMAK, 2016). Inder and Cornwell (2017) argue these shortages are explained by six key causes: complacency, rural–urban migration, lack of return for effort (low incomes at harvest time), alternative employment options that are more lucrative than working the land, the Veteran's Pension, and nutritional constraints limiting physical exertion by households. They go on to argue that all of these factors can be addressed by increasing productivity of labour, defined as income/return per day of work invested. This means farmers must have the resources to invest in simple labour-saving tools and equipment, as well as inputs such as seeds, fertiliser and pest management that improve crop yield. They also note the importance of support for communities to work together to share equipment, knowledge and experience.

Recommendation 2: In a future WDP in Timor-Leste, DFAT should focus on supporting the development of skills that can contribute to the development of identified export industries such as coffee, tourism and labour services, and the development of commercial agriculture to enable import substitution. Over the longer term it will be important to take a broad and responsive view of the technical and business skills required to support diversified value chains in these areas.

3.7 Current and future workforce demands for Timor-Leste

This section addresses **KRQ 3: In which sectors, from both public and private domains in Timor-Leste and the region, are there current and future potential workforce demands, and how should workforce development programming respond?**

Finding: There are few opportunities in Timor-Leste to diversify the currently oil-based economy. However, improved labour mobility with attendant improved incomes and skill development is currently occurring through expansion of the SWP. This has the potential, with the right preparation, to expand in the near future through the PLS. Experience gained through these opportunities can also contribute to meeting domestic tourist, hospitality and commercial agriculture requirements, potentially in a cyclical and mutually reinforcing way.

As Timor-Leste's oil-based economy contracts, this is likely to result in a slowing of GoTL infrastructure projects. Similarly, the civil service is unlikely to expand further, so workforce demands in these areas will be minimal. Although, as previously identified, the development of leadership and management skills in the existing civil service is important for broader service delivery, including facilitating a receptive workforce development environment, this is currently beyond the scope of a future WDP.

Although Timor-Leste's domestic economy is currently contracting, a few sizeable private investment projects are underway. Construction commenced in mid-2017 on a new container port, with an initial private investment of US\$150m and government contribution of US\$129m. A new, price-competitive daily flight service via Bali to Jakarta was launched in 2017, and is expected to increase the number of tourist visitors.

Two large hospitality investments are the 150-bed Hilton planned for completion in 2018 and the Pelican Paradise Resort, based on an investment of US\$300 million. The latter project is to construct a tourist complex in Tasitolu/Tibar, creating initially approximately 1,500 construction jobs and 1,300 permanent jobs (GoTL, 2018a, 2018b). It is likely that the major workforce development benefit from these investments will be in the creation of longer-term hospitality and tourism jobs in a value chain that extends beyond the initial investments. In the short term, construction skills may not be as important due to a current oversupply of trained Timorese construction workers, together with an employer preference for foreign workers and an anticipated slowing of public infrastructure spending.

The potential for labour mobility to contribute substantially to Timor-Leste's economy is beginning to be realised but remains largely untapped. Remittances from Timorese involved in the SWP, the South Korea Temporary Workers Program¹¹ and the currently unregulated

¹¹ Korean language training is already provided by GoTL, through SEJT, to meet employment requirements.

export of labour to the UK are the biggest current contributors.¹² The forthcoming PLS is of particular note and is discussed below.

The SWP shows all signs of continuing to expand and for Timor-Leste to be a major source of these workers. This expansion will be further helped by new measures announced by the GoA “to further support employers and seasonal workers to access the Seasonal Worker Programme” (Cash, 2017). These include efforts to increase the number of employers taking on seasonal workers, lowering upfront costs for employers, improving visa arrangements and reducing the reporting requirements for employers. The workforce demands will arise not only from the additional seasonal workers themselves, but also from the increased requirement to manage the process, and to actively leverage opportunities for returned workers to contribute to ongoing development in Timor-Leste.

Opportunities for semi-skilled work in Australia on a Temporary Skilled Work Visa also exist for Timorese workers through the Northern Territory Designated Area Migration Agreement (NT DAMA).¹³ Under this agreement, employers can seek approval from the NT Government to offer jobs to overseas workers in nominated occupations below the standard skills threshold. As well, many of the nominated occupations have a reduced English language requirement and, in some cases, a lower income threshold. The semi-skilled occupations relevant for Timor-Leste include accounts clerk, bar attendant supervisor, barista, general earthmoving plant operator, agricultural and horticultural mobile plant operator, general truck driver, tyre fitter and waiter supervisor. The qualifications required for non-supervisor occupations, except barista, are Australian Qualifications Framework (AQF) or equivalent Certificate II, together with at least three years relevant post-qualification work experience. Supervisor and barista positions require AQF or equivalent Certificate IV and one to two years post-qualification work experience.

Pacific Labour Scheme

An Australian Government 2017 foreign policy White Paper announced that:

the new Pacific Labour Scheme will allow workers from the region to take up non-seasonal low and semi-skilled work in rural and regional Australia in growth sectors such as health care, social assistance and hospitality.

The White Paper makes a commitment to include Timor-Leste in the PLS as well as the SWP. In relation to support for Timor-Leste, the White Paper states:

We are Timor-Leste's leading economic partner and will continue to support its objective of economic diversification and private sector growth through our development cooperation and labour mobility schemes.

However, elsewhere, the White Paper notes that the initial focus of the PLS will be on the three micro-states, Kiribati, Nauru and Tuvalu, “with access to be extended to some other Pacific countries over time” (GoA, 2017). It is clear, therefore, that Timor-Leste will not gain access to the PLS for some time. However, this provides time for Timor-Leste to position itself to take up these non-seasonal low and semi-skilled work opportunities in rural and regional Australia and to ensure that Timorese post-secondary graduates can meet these requirements. This can be achieved through establishing Australian-level qualifications in

¹² As noted above this access may change following Brexit.

¹³ <https://business.nt.gov.au/business/migration-information-for-business/northern-territory-designated-area-migration-agreement/occupations-included-in-the-agreement>

Timor-Leste through partnerships between Timorese training institutions, Australian training providers and industry.

Upgrading and expanding the current focus on hospitality training to ensure alignment with the AQF should be the first priority, as this provides both labour mobility options and a source of skilled people for a domestic tourism industry and hospitality services. Subsidiary occupations in the tourism value chain and hospitality services should be added to this process over time to service the emergent market. People who have worked in the SWP accommodation sector in Australia are well placed to take advantage of these opportunities due to sector-specific skills, together with an understanding of Australian work expectations and higher levels of English. Opportunities for Timorese with a national-level Certificate III and with relevant work experience of two years or more to undertake a relevant Australian-recognised qualification at Certificate III level at APTC over a period of 22 weeks could also be investigated. Careful consideration should be given to whether to pursue support for Australian-level qualifications in aged care, child care and disability for the PLS, as it is unlikely this training can be utilised to any great extent in Timor-Leste upon return.

Recommendation 3: In a future WDP in Timor-Leste, DFAT should support initiatives that will position Timor-Leste for improved labour mobility opportunities. These should include continuing support for the development of GoTL capacity to manage expanded involvement in the SWP, as well as the development of relevant Australian-level qualifications in Timor-Leste suitable for participation in the PLS and other labour migration opportunities. Ideally these skills, or components of them, will also be relevant for the domestic tourist and commercial agriculture market.



4. DFAT's current investments in workforce development in Timor-Leste

4.1 Overview of current investments

This section provides an evaluation of the WDPTL. However, other DFAT investments in Timor-Leste with a workforce development focus were of relevance to the review, and possible increased synergies between these investments and a future WDP in Timor-Leste are considered below. These investments include the Labour Mobility Assistance Program (LMAP), TOMAK, GfD and the MDF.

WDPTL program description

The WDPTL commenced in early 2016, bringing together three previously separate programs. WDPTL has an overall goal of a skilled workforce for a prosperous Timor-Leste, to be achieved through three intended EOPOs of **improved policy and systems for workforce development, more people are workforce ready, and program beneficiaries utilise their skills, experience or income**. The program has an investment of A\$12.7m for the period 2014–18 and is due to conclude in December 2018.

WDPTL provides support to several GoTL agencies. The SEJT¹⁴ guides investments in policy development, skills development and employment programs. WDPTL works with the SEJT executive and the following national directorates:

- National Directorate for Labour Market Information (DNIMT);
- National Directorate for Employment Policy; and
- National Directorate for Vocational Training Policy.

The program also supports the INDMO, an autonomous agency responsible for oversight of the TLNQF, government and private training centres, the Instituto de Formação de Docentes e Profissionais de Educação (INFORDEPE) responsible for teacher training, and UNTL's ELC. The WDPTL has three main components:

- **scholarships and alumni support.** These awards support long-term training in a formal tertiary level qualification at Bachelor, Masters and Doctoral levels in Australia, targeting priority human resource and development needs in Timor-Leste and aligned with the priorities of the Australian development program;

14 SEJT was previously known as the Secretariat of State for Vocational Training and Employment Policy (SEPFOPE).

- **skills development and employment.** This component invests in Timor-Leste's vocational training and employment in three areas:
 - skills development – supporting improved engagement between the government and the private sector to develop quality skills, primarily in the hospitality sector, and supporting the capacity of training institutions to develop and deliver accredited training programs;
 - employment – improving access to the labour market and expanding overseas employment opportunities, by preparing seasonal workers selected to work in Australia;
 - institutional support – improved capacity of the labour market surveys and information system and capacity development of SEJT directorates;
- **Australia Timor-Leste English Language Program.** ATELP continued English language training (ELT) to improve English language standards in particular sectors and for work readiness.

A summary of progress towards EOPOs until December 2017 is given in **Table 2** below. It notes the achievements of WDPTL, as well the achievements of others facilitated by WDPTL support, often with significant preparatory work. These achievements are covered in more detail in progress reporting for 2016 and 2017 (WDPTL, 2017 & 2018). Given the early stage of much of this work, and the way it has been reported, a lot of this detail is still at the output level. However, with additional M&E, it can be expected to result in further demonstrable outcomes by the end of the program.

Table 2: WDPTL Progress towards EOPOs

EOPO	PROGRESS
Improved policy and systems for workforce development	<ul style="list-style-type: none"> ■ Improved business processes in INDMO, LSU and DNIMT ■ 2016 and 2017 ESS Surveys completed and disseminated ■ Capacity building for evidence-based planning supported through additional labour market information collection, analysis and dissemination ■ Development of a suite of five TVET hospitality qualifications in both Food and Beverage Services and Accommodation Services supported the rapidly expanding hospitality sector ■ Selection of a Hospitality Training Centre of Excellence ■ Infrastructure upgrades at SENAI NT English Language Centre (Becora) and CNEFP to facilitate PWD access and hospitality training ■ Enhance potential for training delivery in 2018
More people workforce ready	<ul style="list-style-type: none"> ■ Improved access to the labour market through briefing, training and deployment of rapidly increasing numbers of Timorese for the successful SWP program (298 seasonal workers in 2016, 782 in 2017) ■ Development of training capability for Timor-Leste's hospitality industry with a Hospitality Advanced Trainer Program for 15 hospitality trainers from 10 training centres, and training workshops for 148 staff members from six major hotels ■ Selection, deployment and support to Australia Awards scholarship (AAS) awardees, and ongoing support to AAS alumni (273 AAS alumni as at December 2017) ■ GoTL workplace internships for five AAS alumni ■ ELT for 21 TVET trainers, 48 secondary school teachers and 15 PWD
Program beneficiaries utilise their skills, experience, or income	<ul style="list-style-type: none"> ■ 93% of alumni in employment as at May 2017 ■ 90% of TVET trainers either strongly agreed or agreed that the training will benefit them in their work ■ 100% of secondary teachers strongly agreed or agreed that the training will benefit them in their work ■ Tracer studies indicate earnings of \$5–10,000 for horticulture SWPs and \$10–15,000 for hospitality SWPs ■ Formation of a Hospitality Trainers Association

4.2 Contribution to workforce readiness

This section addresses **KRQ 5: To what extent have DFAT investments led to more people being workforce ready?**

Seasonal Worker Program

Finding: DFAT's support for SWP is making an increasingly important contribution to work readiness through a rapidly expanding program. Future goals should include better support for reintegration of SWP to find pathways to employment, establish businesses, access further training or take advantage of new labour mobility opportunities.

DFAT investments¹⁵ have led to more people being workforce ready for the rapidly expanding SWP through forms of support including pre-departure briefings, provision of work-ready skills training, English language preparation, and the production of visual dictionaries. A work-ready pool of almost a thousand people available for selection in 2017 indicates that there is continuing unmet demand for this program (Wigglesworth & dos Santos, 2018). Between 2012 and 2017, 1,418 people from Timor-Leste (27% women) participated in SWP. Although available data (LMAP and LSU) varies, it is clear that currently significantly more people are employed in horticulture than in hospitality through SWP.

Support has also been provided to returned workers on financial training, links to employers and business skills. Value could be added to SWP by participants undertaking additional relevant training while in Australia. The importance of SWP has increased as a result of a contraction in the private sector in Timor-Leste.

The LMAP Tracer Survey 2016 reports that 96% of seasonal workers report being satisfied or very satisfied with their experience as seasonal workers in Australia. LMAP data indicates that horticulture workers report saving between \$5,001–10,000, and hospitality workers \$10,001–\$15,000 (Wigglesworth & dos Santos, 2016). Available evidence suggests that most Australian employers are satisfied with their engagement with SEJT and the performance of seasonal workers. It is understood that 16 of the 17 employers currently employing Timorese on the SWP want to continue to do so, and workers are often invited to return to the same employer (Wigglesworth & dos Santos, 2018). The initial LMAP Tracer Survey indicates that more than 70% of seasonal workers had worked in Australia more than once. Support for the reintegration of SWP workers could be improved to help them find pathways to employment, establish businesses, access further training or take advantage of new labour mobility opportunities.

Recommendation 4: In a future WDP in Timor-Leste, DFAT should deepen the current benefits of the SWP by providing additional reintegration support to returning seasonal workers to find pathways to employment, establish businesses, access further training or take advantage of new labour mobility opportunities.

15 DFAT support for the SWP in Timor-Leste occurs through inputs from both WDPTL and the DFAT Pacific-funded LMAP. DFAT funds LMAP to provide assistance to countries participating in the SWP to improve the supply and quality of seasonal workers, strengthen linkages with Australian employers, and maximise development impacts of the SWP.

Scholarships and alumni support

Finding: DFAT's support for scholarships and alumni make a small but important contribution, in a crowded scholarship landscape, to more Timorese being work-ready. The number of AAS could be increased by exploring a range of co-funding, sponsorship and partnership arrangements. There was consensus among the great majority of stakeholders interviewed that the AAS scheme should support a better mix of undergraduate and postgraduate study and short courses.

Australia's support for scholarships and alumni make a small¹⁶ but valuable contribution to more Timorese being work-ready. WDPTL provides a variety of support, including intake planning, promotion of awards, selection and assessment, course advice and institutional placement, limited on-award support, pre-departure briefings, reintegration and alumni support. Between 2007 and 2018, 279 AAS and 271 short-term Australia Awards were made. The program reports high completion rates. However, analysis of student outcome data indicates that there are students who do not complete due to inadequate academic progress. For 2018, Timor-Leste has received 18 AAS and 20 short-term awards.

Australian scholarships form a very small proportion of the total number of scholarships available in Timor-Leste for international study. The total number of scholarships provided for Timor-Leste citizens, and from which sources and at what level, is unknown. Nevertheless, HCDF has allocated US\$70m over four years to 2017 for scholarships to study at 226 overseas universities, and other scholarships are available from New Zealand, United States, Korea, Singapore, Malaysia and the Philippines.¹⁷

According to the 2017 alumni survey, 93% of alumni who graduated in the previous two years were employed, with 37% working in government institutions, 32% in NGOs and 24% in the private sector (WDPTL, 2017).¹⁸ GoA programs such as GfD report actively seeking out high-performing alumni. The majority of alumni confirmed they were using their skills in their current employment. The growing number of Australia Awards alumni in positions of influence in Timor-Leste, with good personal and professional connections to Australia, is itself a useful outcome that should be fostered in a future WDP. Awardees report high overall levels of satisfaction, and Timorese alumni report more positive views than the global average about studying in Australia.

In the 2016 intake the AAS in Timor-Leste stopped funding Bachelor-level study, and is now focused on Masters-level study, with Bachelor-level degrees only being available to PWD. This reduces the expenditure required per scholarship, but is not a popular policy shift. There is widespread demand for a more balanced mix of undergraduate, postgraduate and short-course scholarships, with an emphasis on undergraduate level. Alumni were of the view that good foundational university qualifications, including the attendant soft skills and exposure to a different world view, were such a priority for Timor-Leste that AAS should focus on undergraduate and TVET qualifications based on labour market need.¹⁹ Alumni believed that if the choice was between a smaller number of

16 AAS for Timor-Leste form less than 3% of AAS scholarships for East Asia, and less than 2% of global AAS. During 2018 Timor-Leste (with a population of 1.21m) received a similar number of AAS to Vanuatu (with a population of 271,000).

17 Government of New Zealand offers 15 scholarships annually from undergraduate to postgraduate level.

18 The survey achieved only a 58% response rate, so this may overstate the case.

19 Another respondent was firmly of the view that there were more than enough Masters and PhD graduates, many of whom struggled to find work commensurate with their studies. A third respondent also noted that gaining a Master's degree was no guarantee of promotion in the public service.

undergraduate scholarships and a larger number of Masters scholarships, the first option represented better value for money.

A range of reintegration activities for alumni are held, and it is likely that these will increasingly involve the recently re-formed Alumni Association. The Association is being provided with support, an Alumni secretariat coordinator has been appointed, and in early 2018 an annual general meeting was held and office bearers elected. Although the potential is there, it is too soon to make an assessment of the contribution of the Association to more Timorese graduates being able to utilise their skills and experience.

There are three key challenges in relation to AAS. Firstly, it is recognised that scholarships are overwhelmingly awarded to people who already have significant social capital, and that this social capital is cumulative – if you receive one scholarship you are better placed to receive another. The challenge is how to improve access to AAS to those who do not already have these social advantages, notably women, PWD and those living in rural areas. McWilliam (2014) notes the persistence of economic inequality between those living in urban and rural locations, with 92% of the high-wealth quintile occurring in urban areas. A second (and related) challenge is that the number of AAS is very small; increasing the number of scholarships without an increase in budget will be difficult. The third challenge is to ensure the priority areas targeted for Australian scholarships are responding to labour market priorities.

One of the best ways to increase the contribution of Australian scholarships is to have more of them. Within a limited Australian development program budget this can best occur through co-funding, sponsorship and other partnership arrangements. For degrees such as medicine, which would not normally be funded by AAS due to the length of time required, it may be possible to co-fund degrees with the GoTL's HCDF if this was seen to be beneficial to Timor-Leste's development. The possibility of enterprises sponsoring scholarships – potentially for their employees, with a guarantee of work upon return – should also be explored.²⁰ Other beneficial arrangements could include partnering with the HCDF, which currently funds most scholarships in Timor-Leste. The HCDF could fund, in whole or in part, selected AAS scholarships, while benefiting from the added support offered by the Australia Awards system.

Separate from any co-funding or partnership arrangements for scholarships, graduates can be linked with potential employers at an early stage, including during pre-departure briefings. Alumni, in FGDs, were of the view that this contact could be intensified in the year before graduation. There is an opportunity during the Christmas break, when many scholarship holders return to Timor-Leste, to be linked with Timorese employers in the January or February before returning to Australia.²¹

The WDPTL has a multi-sectoral Scholarships Management Group (SMG) to assist with setting direction for Australian Awards in Timor-Leste. However, the role of the SMG is not clear for the WDPTL and the SMG members, and governance arrangements for a future WDP should be carefully planned.

Recommendation 5: In a future WDP in Timor-Leste, DFAT should continue to support Australia Awards scholarships and alumni, explore opportunities for co-funding to increase the availability of scholarships, ensure the relevance of qualifications pursued, and consider increasing the emphasis on undergraduate training.

20 In Papua New Guinea Exxon-Mobil sponsors AAS; and provides support costs to the broader AAS program.

21 AAS noted that many awardees returned to Timor-Leste for Christmas and would often not return to Australia until February, providing an opportunity for a structured engagement with employers upon return.

ATELP and other English Language Training

Finding: Currently the WDPTL is unable to meet the high demand for ELT. Although the ATELP component of the program has been of short duration there have been some positive outcomes. However, the program approach to ELT is fragmented and needs consolidation and integration. It is difficult to demonstrate the contribution of the ELC or English for secondary school teachers to work readiness. ELT should be prioritised for workforce development investments such as labour mobility, TVET training, scholarships and social inclusion activities. Although current levels of ELT make an important contribution to the work readiness of both SWP candidates and TVET trainers, it is unlikely to be sufficient to enable them to be competitive against foreign workers in Timor-Leste or citizens of Pacific Island countries with better English levels for the PLS.

English language skills play a significant role in improving employability, economic growth and global and regional partnerships. Australia, as Timor-Leste's closest English-speaking neighbour, is well placed to support the country's English language aspirations. However, there is significant unmet demand for ELT in Timor-Leste, including from employers where English is important for their business, and within GoTL, that the program cannot meet. An independent assessment needs to be made as to whether current national-level qualifications in English language are sufficient for the standard required by domestic employers or employers in Australia. This assessment should also identify which national providers of English language training can meet the standards, as assessed by an independent audit. This will help inform the targeting of future support and the most effective way of providing ELT in Timor-Leste.

The WDPTL has supported ELT through all components of the program. ATELP ²² is under Component 3: Human Resource Development – Emerging Priorities of the WDPTL, but ELT support has separately been provided to seasonal workers and scholarship applicants under the other two components of the program.

The ATELP has provided the following kinds of support:

- material resources for the ELC at UNTL;
- English language training for 21 TVET trainers;
- English language training for 48 current secondary school teachers; and
- English for Employability training for 15 PWD.

It is difficult to demonstrate the contribution of the ELC or English for secondary school teachers to work readiness. Looking to the future, one of the challenges for TVET trainers and SWP candidates is that their current levels of English will need further development to enable them to be competitive against foreign workers in Timor-Leste, or TVET graduates from Pacific countries in the forthcoming PLS. Both of these groups are likely to have higher levels of native or near-native English language.

The Senai NT English Language Centre (Senai NT) provides Australian-level English language qualifications through the support of the NT Government and in association with Batchelor Institute. However, it is unclear whether NT Government support will continue beyond the end of 2018. This successful model could be extended through GoA co-funding of Senai NT, and expanding the model of teaching English to an Australian

22 ATELP builds on the former Timor-Leste English Language Program which ran from 2011 to 2016.

or regional standard to other training centres in cooperation with an Australian or equivalent educational institution. If successful, this model could be rolled out to other beneficiary groups over a much longer period of time. Some of the other national English language qualifications have accreditations through other international organisations, and the acceptability of these for future labour market opportunities can be investigated.

WDPTL master trainers have been used for ELT for TVET trainers and secondary school teachers, while Senai NT has delivered PWD English for Employability. Although the review team understands that the WDPTL master trainers are a valuable resource, a future iteration of the program should consider supporting existing institutions to partner with Australian institutions to teach English to an Australian standard.

Recommendation 6: In a future WDP in Timor-Leste, DFAT should continue to support ELT as a priority and undertake targeted and independent assessments to strengthen its delivery. These assessments should include ELT learning outcomes to date, and whether the current standard of English is adequate for labour mobility, domestic tourism and hospitality purposes. ELT for SWP, AAS, PWD and TVET trainers should continue, but ELT for secondary school teachers and support for the UNTL ELC should not. ELT should be integrated into all other program activities as appropriate and be delivered through existing training institutions, which could be co-funded by GoA, and strengthened through partnerships with institutions from Australia or Timor-Leste (where those institutions deliver to the Australian standard).

4.3 Contribution to enhancing capacity of GoTL

This section addresses **KRQ 6: To what extent have DFAT investments enhanced the capacity of the Timorese government to develop a stronger workforce in Timor-Leste?**

Finding: The WDPTL program has made good progress in enhancing the capacity of DNIMT staff to collect, analyse and disseminate labour market information; increased the capacity of the LSU to administer the SWP in a responsive manner; and increased the ability of INDMO to engage with stakeholders and administer the quality assurance system. However, some agencies' capacity development is not commensurate with the resources provided by development partners over a long period of time. Progress has been hampered by an overall low level of capacity across GoTL agencies. A focus on GoTL capacity to analyse and disseminate labour market information remains important, as does the ability to manage labour mobility programs.

Finding: Creative approaches will need to be taken to drive domestic TVET reform to create a more responsive and relevant system.

Despite the short length of the skills development and employment component of the WDPTL to date, several positive outcomes can be reported as a result of WDPTL program support. These include the development of DNIMT staff skills to collect and disseminate labour market information, including the successful completion of the ESS 2017, and presentation at the Labour Market Outlook Conference in February 2018. There was increased collaboration between SEJT's various directorates, INDMO, employers and training centres to address hospitality workforce development priorities. A Labour Market Information System is in development as a result of collaboration between WDPTL and DNIMT.

Institutional strengthening activities carried out by WDPTL in conjunction with LMAP led to an increased capacity of LSU staff to administer the SWP, respond to increased demand and to employer, worker and other stakeholders' needs. LSU were also supported to organise a successful conference in Dili for Australian employers. Eighteen employers from all states and territories (except South Australia) attended and provided input on improvements for preparation and support for seasonal workers while on assignment in Australia. A review respondent reported that this experience made LSU staff aware of the importance of direct information about employer preferences as the primary basis for selecting workers.

The ability of the three heads of department within INDMO to engage with industry and other stakeholders has developed significantly, as well as their ability to administer INDMO's quality assurance system. The foundations for delivery of training in 2018 have been put in place through upgrading the skills of hospitality trainers.

The capacity limitations identified by WDPTL include limited relationships and coordination between employers, training centres and other stakeholders; inadequate and out-of-date hospitality qualifications being delivered by a small number of training centres; lack of evidence base to inform decision-making about labour market demand and funding for vocational training; and limited administrative and management capacity of government counterparts including inadequate internal and external communication, coordination and planning.

It is noted that improved capacity within INDMO is not commensurate with the high levels of support provided by development partners, with the organisation not yet embracing an outward-focused, customer-oriented approach. INDMO also remains burdened by a complex and inflexible National Qualifications Framework that does not meet regional standards and lacks flexibility to adapt to changing industry requirements.

There is currently limited evidence of SEJT utilising labour market data. However, in an interview an informant identified five main users of the information that DNIMT provide. These are the training centres, which use it to base their training courses on the jobs in demand; SEJT employment centres offering advice to job seekers; and private sector employers looking for workers with a particular skill. In addition, donors came to DNIMT seeking information on available skills and levels of education of the workforce for a project in a specific area, and new investors also came seeking workforce labour market information on skills available in specific locations.

Although approximately one-third of AAS alumni enter GoTL positions, there appears to be no specific policy or effort to take advantage of their skills. If the Civil Service Commission (CSC) undertakes a mooted process of workforce planning in the near future, it could – in conjunction with GfD – propose a graduate entry program for the public service. A key structural challenge is that although the CSC is responsible for workforce planning, all scholarship opportunities provided by GoTL are through the HCDF, which has no relationship with the CSC but rather bilateral relationships with ministries.

Recommendation 7: In a future WDP in Timor-Leste, DFAT should continue to support GoTL capacity to analyse and disseminate labour market information and manage labour mobility programs.

Recommendation 8: In a future WDP in Timor-Leste, DFAT should demonstrate the value of establishing high-quality Australian-standard TVET qualifications that respond to international and domestic demand to drive domestic TVET reform.

4.4 Approaches and partners

This section addresses **KRQ 4: To what extent do DFAT investments promote the right mix of approaches and partners to maximise workforce development in Timor-Leste?** It also addresses the related **KRQ 7.3: How can DFAT's other investments in Timor-Leste be maximally leveraged to contribute to workforce development?**

Finding: Work with the GoTL has had positive outcomes and simultaneously revealed limitations; the range of partners and approaches can be broadened to respond to changing circumstances and emerging opportunities.

Finding: The program's work to include women and marginalised people has been strong but could be further integrated into all aspects of a new WDP. Challenges for PWD include low school completion, which prevents them from accessing post-secondary education, and discriminatory work practices which make it harder to find employment. WDPTL has ensured greater access for women and marginalised people and has provided a beneficial "stepping stone" approach in recognition of limited opportunities for PWD to directly access employment and training.

WDPTL is a well-managed program with committed, knowledgeable and well-respected staff that have contributed to the work readiness of Timorese. Current strengths include support for the SWP program and better labour market information collection and dissemination, support for nascent development of hospitality qualifications designed to meet employer requirements, scholarship support and gender and social inclusion.

In Timor-Leste women's labour force participation rate is 21.3%, one of the lowest in the world, and significant barriers to workforce participation also exist for PWD. WDPTL's work to include women and marginalised people has been strong and can continue to be strengthened in a future WDP. A WDPTL gender and social inclusion (GESI) strategy was completed in November 2017 (WDPTL, 2016). The program has been most successful in the scholarships component of the program, where it aims for gender balance for AAS recipients and in the PWD English for Employability program, to provide ELT training for PWD to enable improved access to the Australia Awards program, and the availability of scholarships for PWD from Diploma level up at a time when only Masters scholarships were being awarded more generally. However, the gap between current educational attainment and access to work and study opportunities remains very large.

The GESI strategy notes that the number of women in Timor in the SWP is higher than in other participating countries. However, women, PWD and rural populations face structural and programmatic barriers to SWP access.

WDPTL has been limited by its short duration. A long-term approach will allow it to sequence initiatives, better leverage GoTL reform processes when possible, and ensure forward planning is based on feedback from program monitoring, evaluation and learning systems. Under a longer-term program it will be possible to work with existing institutions rather than setting up parallel delivery systems. By way of example, this would mean working with competent ELT centres rather than using trainers located inside the program.

The current mix of partners and approaches will need to be modified in a new iteration of the program (there will be little opportunity for this to occur within the remaining few months of the WDPTL). While engagement with GoTL will remain important, it has produced mixed outcomes to date. There are many prospects for greater engagement with the

private sector in all areas of the program. If Timor-Leste is to take advantage of new labour mobility opportunities and respond to the needs of international and domestic employers, considerable support will need to be provided to developing a fit-for-purpose TVET system. ELT will remain critical but needs to be integrated with other activities, through partnerships between Australian tertiary/TVET institutions and receptive Timorese training centres committed to verifiable outcomes. Similarly, support for ELT can be gradually moved to institutions such as Senai NT and LELI that utilise Australian English language certifications, while exploring more extensive partnerships.

Over the longer term the WDPTL could achieve more systemic change and better outcomes in workforce development through building effective coalitions for change, as has been successfully achieved in places such as Vanuatu through the VTSSP. By way of example, one type of coalition for change²³ focused on maximising outcomes for returned seasonal workers could consist of key people from relevant programs, relevant government agencies and involved NGOs in specific areas. Another type of coalition for change could identify and support training and labour mobility pathways for beneficiaries of SWP, and could consist of the following stakeholders: Pacific Labour Facility, selected national TVET providers and international TVET providers such as Charles Darwin University, Australian SWP tourist employers, and relevant government agencies interested in and supportive of change. A third type of coalition for change could focus on returning AAS graduates to identify suitable ways they can use their skills to good effect, not just in terms of appropriate employment but community engagement. One proposal is for recent AAS graduates to work to support a coalition for change of Australian and other overseas graduates who are interested in an area of major policy reform. Two examples given were developing a national building code or proposals for urban planning to reduce traffic congestion.

Recommendation 9: In a future WDP in Timor-Leste, DFAT should continue to work with GoTL but put greater emphasis on partnering with industry, employers and Australian institutions in all areas.

Recommendation 10: In a future WDP in Timor-Leste, DFAT should greatly increase support for labour mobility opportunities in and establish linkages with the commercial agriculture and domestic tourism and hospitality sectors, and target the technical and business skills required to support diversified value chains in these areas.

23 A coalition for change can include “self conscious, freely-organized, active and lasting alliances of elites, organizations, and citizens sharing partially overlapping political goals”, Kpundeh, S. (nd), Strategy for Coalitions, World Bank Institute. It is an approach that forms the basis of a successful partnership between the Australian Embassy and The Asia Foundation in the Philippines.

Leveraging DFAT's other investments

Finding: Currently there is some interaction between DFAT's various investments for workforce development. However, there are significant opportunities to maximise impact by extending this collaboration through closer working relationships in the future.

Collaboration with TOMAK and MDF are critical to maximising the benefit of SWP through facilitating access for smallholders to SWP, and on their return supporting further skill development and opportunities in small-scale commercial agriculture. These two programs already work together, with the TOMAK design identifying the importance of collaborating with MDF in the delivery of its major objective of ensuring that "local commercial producers are partnering sustainably and profitably with agribusiness and service providers in selected agricultural value chains." The design document notes that significant opportunities exist for TOMAK (as a localised program) to address many of the identified obstacles MDF partner businesses experience and so to complement MDF's broader agenda. "Synergies between these programs is much better than parallel delivery mechanisms, while also offering scope for more efficient use of Australia's aid budget" (DFAT, 2015). Another lesson can be drawn from how TOMAK delivers its services. Its approach is to work directly with the target population, sidestepping but not excluding working through government. As a TOMAK report on market systems and value chains notes, "capacity within Government institutions is still evolving and although policy is supportive of commercial agriculture, strategies to achieve policy objectives remain weak and under-resourced" (TOMAK, 2016). Existing collaboration between TOMAK and MDF would be further enhanced by linkages with returned seasonal workers. Providing seasonal workers with appropriate add-on training while in Australia would further contribute to a strategy of promoting smallholder commercial agriculture in Timor-Leste. Closer links can also be developed with MDF in furtherance of small business development in support of small-scale tourism and hospitality initiatives through the value chain.

Recommendation 11: In a future WDP, DFAT should ensure other GoA investments are further leveraged for maximum workforce development, in particular the forthcoming PLF, as well as TOMAK and MDF, to maximise linkages between labour mobility and development of commercial agriculture and domestic tourism opportunities.



4.5 Key lessons from the current WDPTL

This section addresses **KRQ 7.1: What are the key lessons from a review of the current performance of different elements of DFAT's workforce development investments in Timor-Leste?**

Finding: A future WDP will need a longer timeframe, of at least five years, with an option to renew to be effective, and will require a common understanding of program design and outcomes by the program and implementing partners, realistic outputs and timeframes, revised governance arrangements, careful consideration of the balance of long-term advisers (LTA) and short-term advisers (STA), and a monitoring, evaluation and learning framework (MELF) suited to collecting evidence of outcomes.

The key lessons from the current WDPTL program can be summarised as follows:

- capacity limitations of GoTL partners to undertake agreed activities will restrict program outcomes, so outputs and timeframes need to be realistic;
- extended periods of political instability, such as has occurred during this program, will reduce counterpart availability and financial commitments;
- a common understanding of the program's design and outcomes between the program and implementing partners needs to be developed and maintained, and any cuts to budget need to be fully explained;
- careful consideration needs to be given to a balance of LTA and STA in a future program;
- WDPs need to be for a longer duration to enable maximum responsiveness, and for there to be time to demonstrate fit-for-purpose models;
- training participants must be selected carefully to ensure they understand the requirements of a course and intend to complete and utilise the knowledge. This can be challenging due to working in partnership with GoTL personnel, who may have different ideas about suitability of participants and equity considerations;
- streamlining the MELF has given sharpened understanding and assisted in improving data collection methods. Once fully implemented it will support demonstration of progress towards EOPOs; and
- good work to date in GESI can be built upon in the new iteration of the program.

Recommendation 12: In a future WDP in Timor-Leste, DFAT should plan for a longer-term and more flexible program that is able to respond to emergent opportunities – of at least five years, with an option to renew.

5. Bringing it all together

Workforce development is central to Timor-Leste growing and developing a diversified non-oil economy that is not overwhelmingly dependent on the public sector.

With a forecast that oil revenues will cease by 2021 (ADB, 2015), this matter becomes urgent. Timor-Leste is largely uncompetitive in the region due to a low-skilled workforce, a small private sector, and high labour costs. The private sector remains heavily dependent on foreign workers for key positions.

The approach taken to this strategic review was to identify sectors with potential to grow Timor-Leste's non-oil economy, either through the generation of export revenue or by producing goods and services that replace imports. We have also identified where past and future donor investments provide a strong supporting environment for generating commercial activity, especially in areas of large population.

The greatest source of revenue after oil and aid is through remittances, with one in five Timorese households receiving payments from overseas. These remittances come from Timorese participation in the SWP, the South Korea Temporary Workers Program, and through self-sourcing of work, principally in the UK. However, continuing access to work in the UK is not guaranteed once the UK leaves the European Union. Yet, remittances, together with export industries such as coffee and tourism, and the development of commercial agriculture to enable import substitution, provide some modestly hopeful prospects.

From the perspective of a Timorese jobseeker, the SWP is the largest source of low-skilled jobs available in Timor-Leste. The SWP offers work that is highly attractive because it pays a wage many times higher than the minimum wage in Timor-Leste. If a worker saves \$6,000 from six months work in Australia, this is equivalent to 3.5 years of work in Timor-Leste at the minimum wage. No other work opportunity for a low-skilled Timorese worker can compare to the SWP in terms of generating income rapidly.

Both the WDPTL and LMAP have provided valuable support for the SWP in Timor-Leste, helping it to grow and meet the increased demand for Timorese workers from Australian employers. The rapid growth in Timorese employed in Australia through the SWP in 2017 is a major tangible benefit for Timor-Leste in a domestic labour market with low jobs growth. This is a form of aid from Australia that is increasingly visible in Timor-Leste, and expectations are that it will increase.

The announcement of more substantial labour mobility opportunities through the PLS that could be extended to Timor-Leste brought the realisation that Timor-Leste's TVET and higher education system is not producing workers with the skills required to take advantage of them. Timorese people will effectively be in competition with better-qualified people from Pacific Island countries. Many of the jobs currently being undertaken by foreigners could be undertaken by Timorese with improved technical and vocational training, but the challenges in this sector are immense, in large part due to the poor quality of training and its lack of relevance to employers. This is further complicated by a mistaken belief that Timorese and Australian qualifications are equivalent. Nonetheless, if this situation could be remedied the benefits would be substantial.

Work undertaken by the current WDPTL in developing qualifications and training frameworks shows early signs of the benefits of collaboration between Australian training providers and receptive Timorese training institutions, both in the development of credible ELT and upgrading hospitality qualifications. It is the view of the review team that given the benefits that could be realised, it would be timely to build on this good work and further develop and demonstrate the value of employer-relevant, Australian-standard TVET qualifications in the hospitality and horticulture area to take advantage of unique opportunities through the PLS, while also having relevance to developing the domestic tourism industry, hospitality services and commercial agriculture. Over the long term training and qualifications to support other aspects of the tourism and commercial agriculture value chain could be developed, and in time – if a successful model could be demonstrated – this could be used to drive necessary reforms in Timor-Leste's own TVET and higher education sector.

In addition to providing income, opportunities to work in Australia through the SWP and later the PLS can be leveraged to help address major political and economic issues in workforce development in Timor-Leste. Three examples were identified. The first is SWP experience giving Timorese the skills to replace foreign workers. The second is for SWP workers to leverage their earnings to promote rural development through establishing and supporting commercial agriculture. The third example of how to increase the benefits of SWP work is to give Timorese workers the savings to fund further education and qualify to work in better-paid jobs in Australia for two to three years under the PLS.

SWP work in hospitality offers the chance to not only acquire better English language skills but customer service skills. A manager of one of Timor-Leste's major hotels said she was happy to re-employ three returning SWP workers for six months each year after working in hospitality in Australia. The hotel benefited from the workers' improved English skills, but the bigger benefit was to their customer service skills, which enabled them to engage with customers and to solve problems. She said hospitality students on work placements lacked these customer service skills, and management had to put considerable effort into imparting them through workplace training, with modest results.

Commercial agriculture in upland rural areas is a major focus of government and donor investment. However, the lack of access to credit to make necessary investments to buy equipment to improve labour productivity is a major barrier for many smallholder households. The SWP offers the chance for members of farming households setting themselves up in commercial horticulture to generate the savings to invest in needed equipment. Also important is to gain knowledge, skills and attitudes needed for high-performance work in commercial farming, and access to skills related to commercial horticulture may provide an even bigger benefit for farming households than the savings generated by working on the SWP.

Getting the maximum impact from an Australian government investment in workforce development involves not merely focusing on those sectors which are growing. It also requires identifying where Australian workforce development funding can have a greater impact by being linked to other investments in these sectors. The sectors in which current or planned investment will create new demand for skills are commercial agriculture in Timor-Leste, tourism and hospitality in Timor-Leste, and short-term and longer-term work overseas through the SWP and PLS.

In relation to rural development, DFAT investments in TOMAK and MDF and USAID investments in Avansa Agricultura ensure that commercial agriculture in selected upland

areas has considerable potential to grow and benefit the rural poor. Tourism as a growth sector is not only a priority for the GoTL but is receiving significant support from a USAID investment in developing rural community-based tourism. Australia's investment in fostering short-term opportunities for people from the region to work in Australia through the SWP is now achieving a good rate of return, with the number of SWP jobs offered expanding to 6,166 in FY 2016–17.

The SWP is one of the key mechanisms for leveraging these investments. The WDP and LMAP/PLF will have the opportunity to further leverage these benefits through linking employment opportunity pathways. This requires ensuring that initial selection is from rural areas where commercial opportunities in horticulture or community tourism exist. It also requires more extended pre-departure training to identify business investment opportunities. The work in Australia should also include further relevant skills training. This could include ELT, skills learnt on the job related to commercial horticulture, or financial literacy such as elementary book-keeping. On return, support is also needed for the worker in setting up his or her business or in their efforts to invest in further training to acquired internationally recognised qualifications.

A recent World Bank (2018a) study of the development impacts of temporary migration makes recommendations for maximising the development impacts of labour mobility that are relevant to Timor-Leste. These include ensuring that poorer areas of participating countries are benefiting from the programme through equal access to information and support for applying for the SWP, lowering barriers to participation for more remote areas, and focusing recruitment on unemployed labour.

Bringing about joined-up efforts to maximise workforce development in Timor-Leste will require not only “programs” but addressing complex and interrelated challenges. GoA and other investors now realise the benefits of utilising a “coalitions for change” approach to address complex multi-sector, multi-actor workforce development issues, and this requires active consideration in the design of a new WDP.

Recommendation 13: In a future WDP in Timor-Leste, DFAT should utilise a “coalitions for change” approach to address complex workforce development issues.





6. Recommendations

In a future WDP in Timor-Leste, DFAT should:

Recommendation 1: include an emphasis on quality TVET training in country that can close existing labour skill gaps currently filled by foreign workers and meet the needs of prospective domestic and international employers.

Recommendation 2: focus on supporting the acquisition of skills that can contribute to the development of identified export industries such as coffee, tourism and labour services and the development of commercial agriculture to enable import substitution. Over the longer term it will be important to take a broad and responsive view of the technical and business skills required to support diversified value chains in these areas.

Recommendation 3: support initiatives that will position Timor-Leste for improved labour mobility opportunities. These should include continuing support for the development of GoTL capacity to manage expanded involvement in the SWP, as well as for the development of relevant Australian-level qualifications in Timor-Leste suitable for participation in the PLS. Ideally these skills, or components of them, will also be relevant for the domestic tourist and commercial agriculture market.

Recommendation 4: deepen the current benefits of the SWP by providing additional reintegration support to returning seasonal workers to find pathways to employment, establish businesses, access further training or take advantage of new labour mobility opportunities.

Recommendation 5: continue to support Australia Awards scholarships and alumni, explore opportunities for co-funding to increase the availability of scholarships, and ensure the relevance of qualifications pursued, and consider restoring the emphasis on undergraduate training.

Recommendation 6: continue to support ELT as a priority and undertake targeted and independent assessments to strengthen its delivery. These assessments should include ELT learning outcomes to date, and whether the current standard of English is adequate for labour mobility, domestic tourism and hospitality purposes. ELT for SWP, AAS, PWD and TVET trainers should continue, but ELT for secondary school teachers and support for the UNTL ELC should not. ELT should be integrated into all other program activities as appropriate and be delivered through existing training institutions, which could be co-funded by the Government of Australia (GoA), and strengthened through partnerships with institutions in Australia or Timor-Leste (where those institutions deliver to the Australian standard).

Recommendation 7: continue to support GoTL capacity to analyse and disseminate labour market information and manage labour mobility programs.

Recommendation 8: demonstrate the value of establishing high-quality Australian-standard TVET qualifications that respond to international and domestic demand to drive domestic TVET reform.

Recommendation 9: continue to work with GoTL but put greater emphasis on partnering with industry, employers and Australian institutions in all areas.

Recommendation 10: greatly increase support for future labour mobility opportunities in and establish linkages with the commercial agriculture, domestic tourism and hospitality sectors, and target the technical and business skills required to support diversified value chains in these areas.

Recommendation 11: ensure other GoA investments are further leveraged for maximum workforce development, in particular the forthcoming PLS, as well as To'os Ba Moris Diak (TOMAK – Farming for Prosperity) and the Market Development Facility, to maximise linkages between labour mobility and development of commercial agriculture and domestic tourism opportunities.

Recommendation 12: plan for a longer-term and more flexible program that is able to respond to emergent opportunities – of at least five years, with an option to renew.

Recommendation 13: utilise a “coalitions for change” approach to address complex workforce development issues.

7. Annexes

Annex A: References

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Annex B: List of consultations

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