



## DEVELOPMENT EMERGENCY MODALITY

### Joint Programme 2022 Annual Progress Report

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**UNCT/MCO:** Timor-Leste

**Reporting Period:** 1 January - 31 December 2022

**JP title:** Entrepreneurship, Energy, Empowerment for Women (3E4Women)

**Thematic SDG Areas:** SDG localization; Decent jobs & universal social protection; Climate action & energy transformation;

**PUNOS:** UNDP, UN Women

**Stakeholder partner:** National Government; Sub-national Governments; Private sector;

**Gender Marker:** Gender-responsive (for example, the JP aimed to respond to specific gendered needs, such as linking social assistance with GBV response services or maternal health support)

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#### Annual Progress

##### Overall JP self-assessment of 2022 progress:

Satisfactory (majority of annual expected results achieved; 1 to 3 months delay in implementation)

##### Overall Progress

Output 1: Women owned enterprises are better prepared to scale up and set up their business and become more resilient to energy price increase.

The programme built capacity of 112 women entrepreneurs from the food and agricultural sector from the municipalities of Manatuto, Liquica and Dili. This capacity building activity focused on increasing knowledge and skills of the women entrepreneurs in business planning, financial literacy, marketing and e-commerce trading. To facilitate the capacity building intervention the programme partnered with Chamber of Commerce and Industry Timor Leste (CCI-TL), Institute to Support Business Development (IADE), and Pro-Ema, a leading restaurant and hospitality training school in the country. The 112 women entrepreneurs were also provided mentoring support from experienced trainers.

The women beneficiaries were identified on a needs assessment basis conducted in three municipalities, Dili, Manatuto and Liquica. 115 women-owned enterprises were identified and assessed for the scope for building capacity for enhancing business development, entrepreneurship, and financial literacy knowledge for better resilience to counter increasing energy price.

Further under this output 80 women-owned enterprises have been identified, in three municipalities, to receive solar based equipment. The programme also provides data-driven business equipment support to 68 women-owned enterprises to sustain and scale up the businesses during the crisis. The type of equipment and beneficiary is identified based on the needs assessment to ensure the equipment provided matched the needs of the entrepreneurs.

Additionally, under this output nine women entrepreneurs have been identified to receive solar-based food carts to improve mobility and clean energy adoption in their businesses. The selected women-owned enterprises were identified to receive solar-powered food carts through a mass challenge. The challenges ran online on Facebook and at the local supermarket inviting

applications from women's food vendors. Applicants submitted pitching recordings to explain how they plan to use the food carts for their businesses.

This Output contributed to the following SDGs:

- SDG 2 target 2.3: double the incomes of small-scale producers, in particular women, through secure and equal access to productive resources and inputs.
- SDG 5 target 5.a: giving women equal rights to economic resources.
- SDG 7 target 7.1: by 2030, ensure universal access to affordable, reliable and modern energy services.
- SDG 8 target 8.5: achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.

Output 2: Women entrepreneurs have improved access to finance and able to scale up their business.

Under this output 331 women entrepreneurs across 12 municipalities were made aware about the soft loan opportunities, through online and offline methods, including brochures and presentation. Out of 331 women reached, 17 women entrepreneurs applied for the soft loan.

This Output contributed to the following SDGs:

- SDG 2 target 2.3: double the incomes of small-scale producers, in particular women, through secure and equal access to productive resources and inputs.
- SDG 5 target 5.a: giving women equal rights to economic resources.
- SDG 8 target 8.3: promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services.

## **SDG Acceleration progress towards the SDGs, focusing on the main SDG targets**

- SDG 2, target 2.3: By 2030, double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment.

The JP enhances the capacity of 112 women-owned small-scale food producers in entrepreneurship and business management, in addition providing 80 women entrepreneurs with solar based equipment and 9 entrepreneurs solar-based food carts to reduce energy costs and improve the operational mobility of women-owned enterprises.

- SDG 5, target 5.a: Undertake reforms to give women equal rights to economic resources, as well as access to ownership and control over land and other forms of property, financial services, inheritance and natural resources, in accordance with national laws.

The JP enhanced access of women to economic resources, the JP provides equipment for scale up businesses, solar panels to reduce energy costs and solar-powered food carts to improve the operational mobility of women-owned enterprises. In addition, women entrepreneurs were supported to have access to financial services through low-interest loan guarantee scheme and technically support in strengthening the loan applications to the bank.

- SDG 7, target 7.1: By 2030, ensure universal access to affordable, reliable and modern energy services.

The JP provided access to solar-based equipment and solar-based food carts to reduce energy costs and improve the operational mobility of women-owned enterprises. These interventions also become a pilot for scaling up the renewable energy transition of MSMEs.

- SDG 8, target 8.3: Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services.

17 women entrepreneurs are linked to the soft loan program introduced by the government, UNDP, and national commercial banks to provide them with sustainable financing for their businesses. The entrepreneurs were not only introduced to the low-interest loan guarantee scheme but also assisted in preparing their loan applications to the bank.

### **Constraints that were encountered and any adjustments that were made to strengthen the relevance and effectiveness of the JP and the coherence and coordination of UN system support.**

The programme reached out to 331 women entrepreneurs for soft-loan information of which only 17 women-led businesses were eligible for applying for the loans, which is well below the target of 40 women-led businesses. The programme responded to the limited financial capabilities of the women entrepreneurs, lack of interest in loans, in-sufficient collateral, and informality of businesses, by incorporating greater flexibility to integrate the business training with soft-loan applications so the women entrepreneurs can apply their learning experience in the real loan applications. This allowed for greater collaboration with more relevant stakeholders to increase the awareness of loan guarantee scheme and financial literacy, while encouraging the government to strengthen the integrated support on soft-loan. This needed a series of measure such as finalizing the land ownership and collateral laws and providing evidence-based data based on needs assessment to accelerate the formalization of businesses.

### **Next steps, scaling and sustainability [up to half a page]**

The JP is highly relevant to the context of Timor-Leste whose private sector is dominated by MSMEs with limited access to finance. The soft-loan component is in line with the government's priority to improve the financial inclusion of MSMEs and UNDP's long-term intervention in youth employment and entrepreneurship. The soft-loan component will be sustained through UNDP's long-term intervention, which has close coordination with the government and national commercial bank. The trained women entrepreneurs will be integrated in UNDP's youth business incubation program to receive more advanced training and access to capital through a series of business competitions and grants.

The solar-powered food cart is designed as an innovative, demonstrative tool for advocacy around the use of green energy in enterprises, designing special incentives for MSMEs using green energy. UN Women plans to scale up initiatives to other women entrepreneurs in other sectors including tourism and agriculture using a similar approach to capacity building and green energy.

## Strategic Partnerships and Communications

### Explain how diverse stakeholders were engaged with the JP

- National government The JP works together with the Ministry of Tourism, Commerce and Industry (MTCI), the Office of the Prime Minister, and Institute to Support Business Development (IADE) to introduce and implement the soft-loan component. The soft-loan expert hired under the JP to assist the women entrepreneurs to apply for the soft loan is based in the MTCI and closely interacts with government officials on the daily basis.
- Sub-national governments The JP works together with IADE sub-national office and municipal administrations to organize info sessions on soft-loan as well as assist women entrepreneurs who are interested to apply for soft loan at the municipal level. In partnership with the Chamber of Commerce -Timor Leste, the JP collaborate with the Municipal Authority of Dili, Liquica and Manatuto and the municipal representatives of the Ministry of Tourism, Trade and Industry in identifying, and conducting a needs assessment of women entrepreneurs.
- Private sector The JP engages with the Chamber of Commerce- Timor Leste, Institute to Support Business Development (IADE), and Pro-Ema, a leading restaurant and hospitality training school and Pro-Ema, a leading restaurant and hospitality training school in designing training curriculum and delivering training and mentorship to women entrepreneurs participated in the project. In addition together with the Nacional Commercial Bank of Timor-Leste (BNCTL) to implement the soft loan component. The soft-loan expert hired under the JP works closely with the bank to assess the loan applications from women entrepreneurs.

### Key meetings and events organized

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JP steering committee/ Strategic partners/ donors Kick-off meeting  
programme board meetingevent

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## Priority Cross-cutting Issues

### Cross-cutting results/issues

This JP addresses the cross-cutting issues of gender equality and women empowerment by providing equal access to business financing, renewable energy, and business support equipment to women-led enterprises that are disproportionately affected by the food and energy crisis. Women entrepreneurs are also empowered through a series of business training to navigate and scale up their businesses during the challenging context and mitigate the cost of energy in a sustainable manner. The needs assessment to identify the needs and provide basic demography of women-led MSMEs in three municipalities was also conducted and the assessment findings informed tailored training curriculum designed to suit with gaps of knowledge and education level of the participants. It can also be used for enriching the existing data on women entrepreneurship in the country.

### How did the JP apply the Gender Marker

The JP is Gender-responsive (for example, the JP aimed to respond to specific gendered needs, such as linking social assistance with GBV response services or maternal health support). Capacity development (e.g. training of social workers, local governments, local communities);Evidence, data collection and analysis (e.g. gender assessments of programmes; policy briefs, costing for scale-up of social services);Adaptation of existing programmes (e.g. revision of eligibility criteria, removal of conditionalities);

### JP address the below cross-cutting issues and principles of leaving no one behind

Human Rights	Persons with disabilities	Youth	Environmental and social standards
No	No	No	No

## Contribution to enhancing SDG Financing

Drafted a bill, strategy, and/or approved a law increasing the fiscal space for the policy in focus	Produced financing, costing, diagnostic and feasibility analyses as a basis to invest or increase spending on the SDGs	Improved efficiency (cost savings) in the management of programmes/schemes	Improved effectiveness (value for money; i.e. social impact of \$1 spent) of spending	Drafted policies/regulatory frameworks or developed tools to incentivize private sector investment on the SDGs	Structured new financial instruments (public, private or blended) to leverage additional funding
No	No	Yes	No	No	No

### How and in which area your JP contributed to enhancing SDG financing

The JP contributes to improved efficiency (cost savings) in the management of programs/schemes related to entrepreneurship by introducing blended finance through soft-loan programs as alternative financing for MSMEs. With this blended finance approach, the implementation of programs/schemes related to entrepreneurship can more focus on providing capacity building to the entrepreneurs instead of focusing on the financial grant as usual.