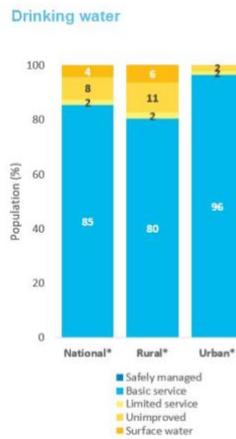


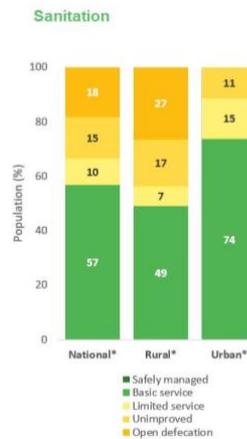
Timor-Leste Country Overview

1. Existing Water, Sanitation and Hygiene Service Levels

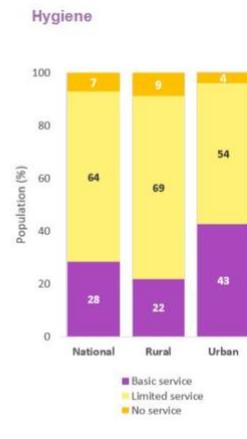
Population of Timor-Leste is 1,183,643 consisting of 601,112 males and 582,531 females living in 204,597 households¹. Joint Monitoring Program (JMP) update released on 2021 (based on statistics



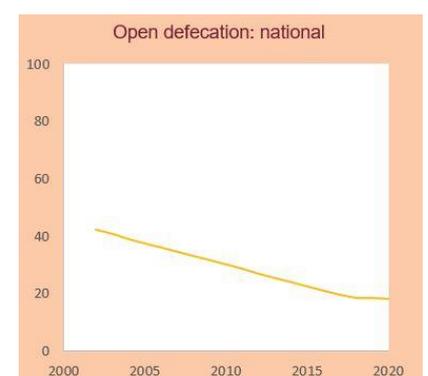
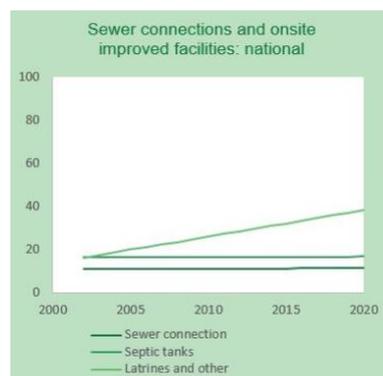
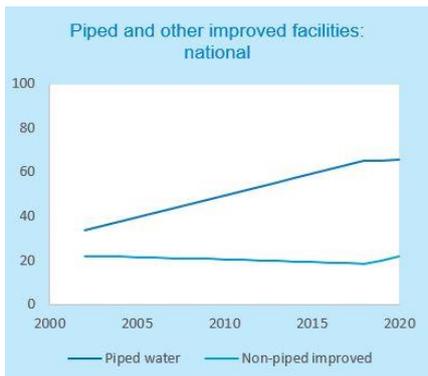
*No safely managed estimate available



*No safely managed estimate available



up to 2020) show that Timor-Leste's national coverages of basic water and basic sanitation are 85% and 57% respectively. Basic water coverages in rural and urban sub sectors are respectively 80% and 96% while the same for basic sanitation are 49% and 74%. National coverage of hygiene is reported to be 28% while the rural and urban coverages are 22% and 43% respectively².



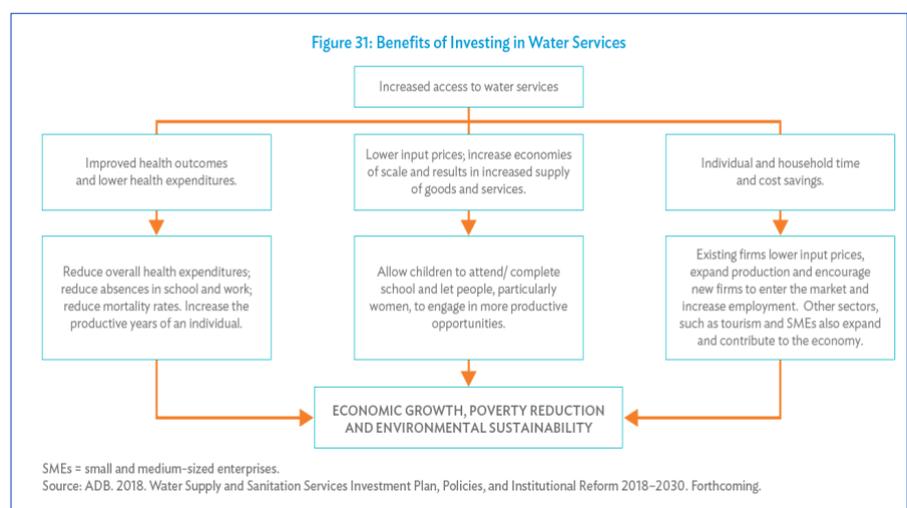
¹Timor Leste Population and Housing Census 2015 - <http://www.statistics.gov.tl/category/publications/census-publications/2015-census-publications/>

²Progress on household drinking water, sanitation and hygiene, 2000 – 2017, (2019), UNICEF-WHO JMP Report - <https://washdata.org/>

JMP analysis in 2021 further shows that Timor-Leste has been progressing steadily in access to water and sanitation since the restoration of independence in 2002. The country has been in the process of reaching the last stages of water, sanitation and hygiene “accessibility” by mainly addressing the visible rural – urban disparities. Open defecation still exists among 27% of the rural population while the country has been on its way to become open defecation free (ODF) as well as reaching basic sanitation by the end of 2024. While the “accessibility” to water shows noticeable progress, the “availability” and “quality” aspects of water urgently need systematic and multi-stakeholder approaches in reaching SDG 6 water and sanitation targets by 2030. Broadening the enabling environment, the government has enacted several laws and regulations, including; The National Public Water Supply Policy, The National Water Resource Management Policy, The Law for Quality Control of Water for Human Consumption, and the National Basic Sanitation Policy (2012).

Opportunities for Economic Growth

The Government of Timor-Leste has already identified the contribution of the WASH sector to the overall development of the country. As part of the institutional reform to improve WASH service needs Company (Bee Timor Empresa Publica) and a Water and Sanitation Authority (Autoridade Nacional Agua e o Saneamento) has been established, as well as planning medium to long term investment.



Shock waves of COVID-19 has further triggered the need of investment in WASH sector despite some of the critical implications of the pandemic on the economy. Central Bank of Timor-Leste (BNCTL) estimates a 6% decline in real GDP and a 10% decline in demand and consumption. Initially, the emergence of COVID-19 stressed the existing WASH service levels in catering the spike in demand for hand hygiene and infection, prevention and control (IPC). However, the stakeholders have looked at this challenge positively by opting to address some of the long-standing gaps in WASH services at public places, border points of entry, health facilities and schools. Through the joint efforts of the Government of Timor-Leste and development partners, there has been noticeable improvements of WASH in these specific domains thus optimally leveraging and utilizing additional resources received for COVID-19 response. Moreover, the new normal was progressively used as a trigger to inculcate good attitudes and practices on hand washing with soap and sustainability of WASH services in general. Across all municipalities, up to

99% of people could state unprompted that washing their hands with soap was a way to keep their household safe from COVID-19³.

Whilst COVID-19 upsurge seems to have boosted the enabling environment and social demand for sustainable water, sanitation and hygiene services, the supply side and affordability are unlikely to grow in proportion due to the realities associated with development scenarios. During their socio-economic impact assessment, UN Agencies observed that 55.9% of households visited in July 2020 did not seem to have water available and 53.7% of households were not observed to have soap available for hand washing⁴.

Making SMART Investments

Being a young nation, Timor-Leste has the opportunity of adopting time tested examples globally across various sectors. In 2012, World Health Organization Study identified that every \$1 invested in sanitation in Timor-Leste would result in \$2 return to the economy through reduced healthcare and mortality costs and increased productivity⁵. Complying with this correlation, the Government of Timor-Leste has positioned water and sanitation among country's four main priorities. However, competing demands compromise the optimum investment in WASH. It is seen that water and sanitation infrastructure accounted for less than 0.5% of all government infrastructure investment between 2011-186.

Under the institutional reforms in 2020, Bee Timor-Leste (BTL), a semi-autonomous entity for WASH services and National Authority for Water and Sanitation (ANAS) were formed under the Ministry of Public Works. The new structure will help better focus on service quality under the BTL and extensive improvements in WASH sector enabling environment under ANAS. During 2021, the Government of Timor-Leste (GoTL) had allocated \$ 36m and 0.556 to BTL and ANAS respectively and in 2022 those allocations are reported to be \$ 17m and \$ 0.59 m respectively.

The GoTL budgets in each year have been allocated considering substantial and complementary funding from the development partners where GoTL had also contributed with Counter Part Funding (CPF). In 2021 WASH project budgets supported by development partners were \$ 75m (ADB \$ 47m, GEF \$ 3m and World Bank \$ 25m) where GoTL's CPF was \$ 17.5m. For 2022 there is a substantial WASH financing by development partners with a total of \$ 579 m (World Bank \$ 121m, ADB \$ 150m and MCC \$ 308) where a majority proportion will be invested on safely managed water with the balance on safely managed sanitation through a centralized sewage treatment facility.

³ Ministry of Agriculture and Fisheries, 2020. Rapid Food Security Assessment Report, June 2020 https://oi-files-cng-prod.s3.amazonaws.com/asia.oxfam.org/s3fs-public/file_attachments/Rapid%20Food%20Security%20Assessment_Full%20Report_9%20Jun%202020_FINAL.PDF

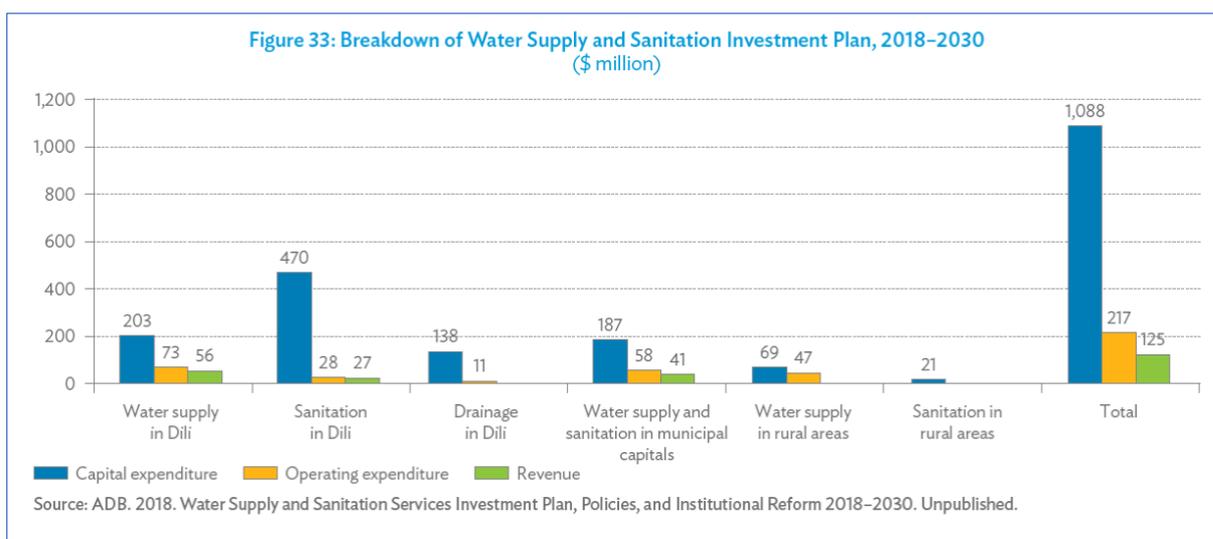
⁴ UNDP, 2020. Socio-Economic Impact Assessment of COVID-19 in Timor-Leste, <https://www.un.org/tl/en/component/jdownloads/send/17-covid-19/78-seia-final-report?Itemid=0>

⁵ WHO, Global Costs and benefits of drinking-water and sanitation interventions to reach the MDG target and universal coverage, https://www.who.int/water_sanitation_health/publications/2012/globalcosts.pdf

⁶ World Bank 2020, Timor-Leste Economic Report: Towards a Sustained Recovery, October 2020

In addition to the direct budgets allocated to WASH through the MoPW, there has been a larger government investment in WASH through integrated budgets of the Minister of Health (MoH), Ministry of Youth, Education and Sports (MoYES) and the Municipalities (sub national level). These integrated budgets cater rural water and sanitation, WASH in schools and healthcare facilities. There are number of external development partners in these three domains supporting WASH with small grants and direct implementations. Moreover, increasing climate financing to Timor-Leste too has integrated WASH budgets mainly on water catchment management and climate proofing of WASH infrastructure.

In this context realistic financial forecasting on the sector is quite essential to leverage resources in achieving the intended Sustainable Development Goals (SDGs) on water and sanitation by 2030. In 2018, ADB estimated that US \$1.3 billion need to be spent between 2018 and 2030 to achieve the SDGs for water, sanitation and hygiene in Timor-Leste⁷. This analysis has clustered the projected investment into realistic geographical domains in the order of project management by the government and other stakeholders. Especially the separation of the capital region, municipal capitals and rural areas help stakeholders find their niches to contribute to the sector depending on the resources and expertise in hand. This is where the national WASH coordination is deemed to play a key role in terms of leveraging resources, optimizing scopes and help monitoring the sector as a whole.



Mutual Accountability Mechanism

There exists a government institutional structure for water, sanitation and hygiene in Timor-Leste at both national and sub-national (municipality) levels. However, inherent constraints pertaining to both financial and human resources as well as inter stakeholder coordination have caused inconsistencies in accountability. The majority of government and donor / bilateral investment in

⁷ Asian Development Bank Pacific Economic Monitor, July 2018, <https://www.adb.org/publications/pacific-economic-monitor-july-2018>

WASH goes into construction of water supply infrastructure⁸. When it comes to multipurpose and integrated projects, the attention is largely on the capital region and urban pockets of the municipalities. Most of the medium and small-scale investments by UN agencies, INGOs and CSOs focus on rural areas where population density and land use do not attract large scale investment that expect short-term financial returns. The rural investments mainly comprise of Community Led Total Sanitation (CLTS) projects, gravity fed rural water systems and behavior change communication mainly under the support of development partners.

Sustainability of urban WASH investment and services is relatively better due to the defined roles and responsibilities of the mandated stakeholders. However, the rural subsector, mainly the water supply, is managed by the community organizations (GMFs). Rural sanitation is embedded under the roles and responsibilities of the public health workers together with diverse and multiple job roles. For these reasons sustainability and quality assurance of rural WASH sub sector is fragile. When it comes to rural water systems, it has been observed that as many as 70% reporting some sort of failure within 2 years of commissioning.⁹ Sustaining the results of CLTS in terms of monitoring the slippage back to open defecation as well as progressing towards improved sanitation are not consistent and largely dependent on external support.

Planning, implementation, operation and monitoring of WASH services are not only associated with the mandated WASH sector stakeholders but also those in health, education, rural administration and environmental management sectors. Establishing solid mechanisms for accountability and coordination as well as minimizing duplication remain as key challenges and priorities to attend. While there is progress in WASH in community and public domains, a lot needs to be done for WASH in institutions, particularly in the schools and health facilities. The general constraint of data gaps delays the understanding of the big picture of WASH in institutional domains. Analysis on benefits to all sectors through such WASH accountability and coordination framework remains a high priority. The National WASH Forum, as the current active national coordination platform, has a critical role to play in this regard.

Way Forward

Profile of WASH has been greatly improved as a major development sector. Surge of COVID19 has immensely increased the attention on WASH related behaviours increasing the demand for quality WASH services. This has set stage for Timor-Leste to expedite its way forward towards the SDG targets 6.1 and 6.2 on water and sanitation respectively.

Until recent times, the main focus has been on increasing the “Accessibility” of WASH services with interim targets to achieve basic water and sanitation service levels by 2025. To reach safely

⁸ World Bank, 2018, Timor-Leste Water Sector Assessment and Roadmap, <http://documents1.worldbank.org/curated/en/433121521173685667/pdf/124329-WP-P163648-PUBLIC-Timor-Leste.pdf>

⁹ Hamel, S. 2009. Baseline survey of Aileu and Lautem Districts Rural Water Supply and Sanitation Coverage, Plan Timor-Leste

managed WASH targets by 2030, the country is in need of systematic and focused action plan on both “Availability” and “Quality” aspects of the WASH services. Timor-Leste being a water stressed country these targets would largely depend on establishing sustainable water supply, especially in vulnerable areas where water services are interrupted by seasonal climatic conditions and / or issues related to operations and maintenance. Moreover, achievements of “availability and quality” aspects of WASH services is a key determinant in reaching basic WASH services in schools and health care facilities.