

SECTOR ASSESSMENT (SUMMARY): EDUCATION

A. Sector Performance, Problems, and Opportunities

1. **Overview.** The Timor-Leste Strategic Development Plan, 2011–2030 (SDP) recognizes education and training as key to improving the life opportunities of Timorese and achieving the country's economic development goals.¹ Education sector performance has improved steadily since independence in 2002. Several key education indicators, such as primary enrollment and literacy rates, demonstrate progress toward the government's priority sector goals and the Millennium Development Goals². Since 2011, the government has also strengthened technical and vocational education and training (TVET) by establishing a national qualification framework (NQF) and adopting regulatory processes for vocational training providers.

2. However, progress has been slower than expected in many areas, such as in (i) improving the quality of basic education and its learning outcomes; (ii) increasing enrollment in secondary education; (iii) reducing urban–rural disparities in access to education; (iv) improving the relevance of education to provide practical life skills and employment linkages; and (v) strengthening the government capacity to plan, implement, and coordinate the sector's key policies. While the government aims to achieve middle-income status by 2030, the country faces serious human resource constraints: 40% of the population aged 15 and older has not had any education, and 25% has not advanced beyond primary education.³ To achieve the country's development goals, the most significant challenge lies in educating a large number of young Timorese with practical knowledge and employable skills.

3. **Education and training systems.** Formal education consists of primary (grades 1–6), pre-secondary (grades 7–9), secondary (grades 10–12), and tertiary levels, which are provided by both public and private institutions. Basic education (grades 1–9) is compulsory. Secondary education comprises general and technical secondary schools. These formal schools are supervised by the Ministry of Education (MOE). TVET is also provided by formal and informal vocational training providers, which are overseen by the Secretary of State for Professional Training and Employment Policy (SEPFPOE).

4. **Basic education.** Significant progress has been made in basic education since 2002: a 93% net enrollment rate for primary school was achieved by 2013, and girls' enrollment now exceeds boys' in basic education.⁴ However, repetition and dropout rates remain high, with more than 25% of grade 1 students repeating the year and nearly 5% of students dropping out each year in grades 1–4. The net enrollment rate for pre-secondary education is also low at 34%. Disparities in enrollment rates persist between urban and rural areas; non-attendance is especially a problem in rural areas, with nearly one-third of rural primary school-age children never attending school compared with one-fifth of their urban counterparts. Learning outcomes are also an issue, as many primary students show poor literacy and numeracy skills. Many development partners in the sector provide support for basic education to improve learning outcomes and literacy rates.⁵

¹ Government of Timor-Leste. 2011. *Timor-Leste Strategic Development Plan, 2011–2030*. Dili.

² Goal 2 is achievement of universal primary education. Goal 3 is achievement of gender equality, including equality in access to primary, pre-secondary, and secondary education.

³ Government of Timor-Leste, National Directorate of Statistics and United Nations Populations Fund. 2013. *Population and Housing Census of Timor-Leste, 2010 Volume 9: Analytic Report on Education*. Dili.

⁴ Government of Timor-Leste, Ministry of Finance. 2014. *The Millennium Development Goals Report 2014*. Dili

⁵ A development coordination matrix is presented in Table 5 of the country and portfolio indicators (accessible from the list of linked documents in appendix 2 of the Country Partnership Strategy).

5. **Secondary education.** Gross secondary school enrollment has increased since 2002, but the net enrollment rate remained low at 27% in 2014. The gross enrollment rate was higher at 61%, as most students were outside the official age range (age 15–17).⁶ As of 2010, there were 107 secondary schools (comprising 80 general schools and 27 technical schools) with a total of approximately 50,000 students. Only 11% of these students were at technical secondary schools, and girls made up 41% of the enrollment in these schools. Most graduates from general secondary schools enter higher education, but little is known about the destinations of graduates from technical secondary schools.

6. Low enrollment in secondary education is related to an outdated curriculum that lacks quality and relevance. The national curriculum contains too many subjects, leaving insufficient time for in-depth coverage of key subjects such as mathematics. Insufficient government budget (only 9% of the total education budget) has been allocated to secondary education, and the government is yet to establish a clear regulatory framework at this level. Technical secondary schools do not offer practical skills training, and lack proper curricula, infrastructure, and equipment. This results in poor preparation of students. The postsecondary TVET system has adopted competency-based accredited training and quality assurance procedures based on the NQF but technical secondary schools have been left out of this reform process. The lack of work readiness—both in knowledge and skills—among secondary school graduates is a major complaint among employers. Many vocational training providers fill this gap by retraining secondary school graduates with work readiness skills and more practical skills training.

7. **Postsecondary technical and vocational education and training.** Given low educational attainment among adults and limited practical skills training in formal education, TVET plays a critical role in developing the capacity of young and adult populations to meet the demands of a growing economy. As the government accelerates its development agenda, there is an acute shortage of skilled workers. Since 2011, the TVET system has been transformed from a predominantly non-formal system to a formal, regulated system under the SEPFOPE by adopting best-practice models for TVET. The NQF links all postsecondary and tertiary qualifications. It was approved in 2010 and currently includes 46 postsecondary qualifications at levels 1–4 and eight certificates across eight industry sectors⁷. The National Labor Force Development Institute was established in 2011 as a regulatory body of vocational training providers and training standards. The new TVET system also fosters a market-oriented specification of standards and competency-based training and assessment, together with industry sub-commissions that advise on competency standards and qualifications.

8. There are more than 100 vocational training providers throughout the country. Of these, 39 vocational training providers are registered under the SEPFOPE, making them eligible to receive funding support, and 21 training providers are accredited by SEPFOPE. Accredited providers include two public institutions and a number of private institutions, such as those operated by church-based or nongovernment organizations. In 2012, there were 1,982 students enrolled in accredited institutions. The programs offered by these institutions included information technology, office administration and finance, agriculture, technical trades, and tourism and hospitality. While women made up 48% of overall enrollment in accredited training providers in 2012, most were concentrated in administration, finance, and tourism and hospitality, suggesting gender segregation in the types of vocational training pursued. Accredited formal training standards are being implemented, however many training providers have not met the requirements for accreditation, hindering the expansion of quality training programs.

⁶ Government of Timor-Leste, General Directorate of Statistics and UNICEF. 2014. *Situation Analysis of Children in Timor-Leste*. Dili.

⁷ The national qualifications framework currently features four certificate levels of technical competency covering basic and mid-level skills.

9. **Higher education.** There are 11 institutions offering higher education degrees and programs in Timor-Leste, of which 10 are located in Dili. During 2000–2011, 7,995 students (37% women) graduated from these institutions. Similar to other levels of education, higher education also suffers from lack of quality education. The MOE recognizes the need to develop a dual system of technical and nontechnical higher education, which would be important in producing a highly skilled workforce as well as a qualified teaching force in TVET. However, given limited enrollment in secondary education, adding more higher education institutions is not an immediate priority. Fundamental reforms to existing technical tertiary institutions with inputs from, or in partnership with, the private sector should be a consideration for future development.

B. Government Sector Strategy

10. Along with the SDP, the National Education Strategic Plan, 2011–2030 (NESP), prepared by the MOE, demonstrates the government’s commitment to supporting the principle of education for all.⁸ The NESP’s priority programs emphasize (i) universal completion of basic education by 2030, (ii) elimination of illiteracy by 2015, and (iii) gender parity by 2015. For secondary education, the NESP recognizes the lack of quality and relevance, especially in technical education, in meeting the development needs for skilled workers, the service sector, and civil servants. The NESP aims to reform the technical curriculum based on market needs and accredited standards. It also sets priorities in improving teacher training, building partnerships with the private sector, and coordinating with other government agencies such as the SEPFOPE for training opportunities. However, few of these secondary education reform objectives have been developed into specific action plans, and little costing analysis has been done for implementation of any particular objective.

11. The SDP recognizes that an effective training system and development of a skilled workforce are essential for the social and economic development of the country. To support the SDP’s objectives, the SEPFOPE prepared a national TVET plan covering 2011–2030 in 2012. The plan’s priorities include (i) developing national training standards for major occupations based on industry requirements; (ii) creating a national training package that offers vocational training opportunities for up to 50% of people aged 16–18; (iii) investing in training facilities across the country; and (iv) creating a national council for skills, employment, and productivity by bringing together industry partners, governments, and other stakeholders. The plan also includes policy guidelines for developing funding mechanisms for vocational providers, promoting specific training programs based on labor market demands, and forging close partnerships with employers to expand workplace training programs. The plan also aims to guide and coordinate development partners’ support for TVET.

12. Despite the inclusion of TVET priorities and policy guidelines in government strategies, implementation plans have not yet been developed due to the limited technical and planning capacity of the SEPFOPE and MOE. There is a lack of coordination among relevant government agencies in supporting and expanding accredited training programs. The government is yet to demonstrate its leadership in facilitating partnerships among various stakeholders for skills training, especially among training providers and employers. While the government has made significant efforts to introduce quality assurance for TVET, including the establishment of the National Labor Force Development Institute and competency-based training standards, such quality assurance applies only to a small number of accredited training providers and most remain unregulated. Moreover, government agencies have made little effort to link accredited training standards to curricula in technical secondary schools, leaving several components of the broader skills development system disconnected.

⁸ Government of Timor-Leste, Ministry of Education. 2011. *National Education Strategic Plan, 2011-2030*. Dili

C. Asian Development Bank Sector Experience and Assistance Program

13. **Development partners.** MOE is supported by the Governments of Australia, Brazil, Portugal, and New Zealand; the United Nations Educational, Scientific and Cultural Organization; UNICEF, the United States Agency for International Development, and the World Bank. This support focuses on preschool programs, basic education, literacy programs, and capacity development for the MOE. Little support is directed toward secondary or higher education; the Korean International Cooperation Agency is the only major partner supporting secondary technical education. The Government of Australia and the International Labor Organization (ILO) have been major supporters of post-secondary TVET through the SEPFOPE. The Youth Employment Promotion Program—funded by the Government of Australia and implemented by ILO during 2008–2012—established the National Labor Force Development Institute, supported the NQF and the national TVET plan (para. 11), and introduced competency-based training standards. These efforts were continued during 2013–2014 through the Training and Employment Support Program, which was also supported by the Government of Australia and ILO.

14. **Asian Development Bank assistance.** In close coordination with the Government of Australia and ILO, the Asian Development Bank (ADB) began its first TVET support program in 2012 through the SEPFOPE. The Mid-Level Skills Training Project (MLSTP) fills the gap in TVET by introducing mid-level training (levels 2–4 in the NQF) in the construction and automotive trades, two notable industries experiencing acute shortages of skilled workers, as evidenced by the large number of foreign technicians employed in these sectors in Timor-Leste. The MLSTP aims to train semiskilled and skilled workers in the construction and automotive trades who can support the government’s increasing infrastructure investments, while providing career-oriented employment opportunities for young people. The MLSTP has developed 14 competency-based qualifications for NQF levels 3–4 in the two trades, upgraded training facilities and equipment in the country’s major training centers, and strengthened labor market linkages of training programs with workplace training programs.

15. **ADB’s future support.** ADB’s future support is directed at enhancing the formal TVET system and building a broader, integrated skills development system. This will require (i) improvements in general education; and (ii) development of clear and flexible pathways for skills development among technical secondary schools, postsecondary TVET providers, and higher education. Since 2011, Timor-Leste has adopted international best practices for skills training. However, good quality training is only available through a limited number of vocational training providers under the SEPFOPE. Technical secondary education can benefit by adopting the established training standards while improving the quality of its general education. This will help secondary and postsecondary students receive skills training and acquire other work-related skills. It will also create a strong workforce with better knowledge and skills, and meet growing labor market demand. ADB can also help the government to establish quality technical higher education through partnerships with the private sector. Technical higher education is essential for producing quality teachers and a skilled workforce. An integrated skills development system will enable young people to obtain work-related knowledge and practical skills and prepare for a productive career.

16. In building a broader and integrated skills development system, special attention must be given to establishing and strengthening a coherent policy framework by facilitating close coordination among different government agencies. In particular, oversight of the quality assurance system will require close cooperation between the MOE and SEPFOPE. The advanced skills development system will also require close linkages with the private sector and improvements in the capacity of the MOE and SEPFOPE for budgeting, policy implementation, and monitoring and evaluation.

