

Enabling Social Innovation in Timor Leste

Country Snapshot

Social innovation: "the processes and outcomes of developing novel approaches to address societal challenges facing people and planet." ¹

This snapshot represents a descriptive, non-exhaustive overview of key highlights from Timor Leste's social innovation ecosystem.

✓ Direct focus on social innovation Ⓜ Connected but indirect focus on social innovation ✗ No focus on social innovation

INSTITUTIONAL FRAMEWORK

Official Definition of Social Innovation Ⓜ



Social innovation in Timor-Leste is defined as the invention, development, and implementation of new, significantly improved solutions to social problems that improve the lives of children, young people, and marginalized communities. Target Areas: Focuses on youth development, social inclusion (vulnerable groups, women, people with disabilities), and digital/ICT inclusion to reduce poverty and social inequality.

The concept is mainly introduced through **donor- and government-led projects**, particularly in youth employment, entrepreneurship, and community development ²

Government Body for Social Innovation ✓



There is **no dedicated government body** for social innovation.

Relevant actors with indirect roles include:

- **Ministry of Social Solidarity and Inclusion** - leads on implementation of policies regarding social security and social welfare.
- **Ministry of Economic Affairs, Tourism and Environment** – leads on entrepreneurship, MSMEs, and inclusive growth.
- **IADE (Institute for Business Support)** – semi-autonomous body providing training, competitions, and enterprise support

Coordination typically occurs through multi-ministry arrangements with UN agencies, rather than through a permanent unit.

Government Strategy for Social Innovation ✓



There is **no standalone national strategy** for social innovation.

Indirect strategic enablers include:

- **National Employment Strategy 2017–2030** – prioritises job creation through skills and entrepreneurship.
- **Timor Digital 2032 (2023)** – long-term agenda to expand digital infrastructure, ICT skills, and innovation capacity.

These frameworks create **enabling conditions** (skills, connectivity) but do not explicitly reference social innovation.

Policies, Laws & Regulations



Timor-Leste does not have a single, formal, or comprehensive "Legal Framework on Social Innovation" formally passed as a stand-alone law within the Ministry of Social Solidarity and Inclusion (MSSI). However, the Government of Timor-Leste, specifically through the MSSI, has established national policies, strategies, and legal frameworks for social protection that incorporate, foster, and rely on social innovation.

The Ministry of Social Solidarity and Inclusion (MSSI) in Timor-Leste is actively adopting social innovation to modernize social protection, enhance data-driven decision-making, and improve services for vulnerable populations. Key initiatives include the adoption of digital tools for child protection, AI-enhanced data analysis, and strengthened community-based support

Indirectly relevant frameworks include:

- **[SERVE One-Stop Business Registration \(Decree-Law No. 7/2017\)](#)** – simplifies business registration.
- **Cooperative and microfinance regulations** – support community enterprises and livelihoods.

Official Statistics



There are **no official social-innovation statistics**.

Contextual indicators highlighting need include:

- **Youth unemployment:** ~80% of youth not in formal employment.
- **Financial inclusion:** Only ~29% of villages had bank access points in 2022.

No social economy satellite account or innovation index is maintained.

Government Programs

Timor-Leste lacks a unified national program; support is **project-based** and donor-driven.

Key examples include:

- **[Youth Employment and Entrepreneurship Support \(YEES, 2022–2027\)](#)** KOICA-funded, UNDP-implemented program providing training, mentorship, seed grants, and a **social innovation challenge**, with multi-ministry governance.
- **[Knuu Juventude Fila-Liman](#)** Youth innovation hub offering integrated services (training, mentorship, work placements), reaching thousands of young people.
- **AI-Driven Social Protection (2026):** MSSI in collaboration with WFP and INETL, I.P., MSSI is implementing a Proxy Means Test (PMT) model enhanced by artificial intelligence/machine learning to target beneficiary (Pregnant Women, Lactating Women and Children up to three years old) support for the SANUTRIO (in Tetun Language – Official Language: Saúde Nutrisaun Inan no Oan – Nutrition for Mother and Child Health) program. The objective of this program is to reduce malnutrition and stunting in Timor – Leste. This makes Timor-Leste the first in Southeast Asia to use AI for targeting social protection.
- **Adaptive Social Protection (INSPIRE Project):** Supported by ADB and WFP, the Integrated Nutrition and Adaptive Social Protection for Increased Resilience (INSPIRE) project (2025) aims to strengthen systems against climate change, focusing on child nutrition and resilience.
- **Household Census for Targeting (2026):** A data-driven initiative to conduct a census in Covalima, Ermera, and Oecusse to establish a national social registry to improve the Bolsa da Mãe program.
- **Digital Child Protection ("Primero CPIMS+"):** Launched in March 2024 with UNICEF, this web-based application allows social workers to digitize case management and coordinate support for vulnerable children, particularly in emergencies.
- **Integrated Social Support System (2025):** The government allocated \$2 million to support Social Solidarity Institutions (ISS) to bolster services for people with disabilities, orphans, and vulnerable groups.
- **Early Childhood Development (2026):** Partnering with KOICA and UNICEF to build child-friendly preschools, incorporating safe play spaces and WASH facilities in Baucau and Bobonaro.

Key Focus Areas and Strategic Direction

- **Digital Transformation:** Moving from manual to digital systems, such as the Child Protection Online Platform (2021) and the updated 2024 "Primero" system.
- **Social Inclusion & Equity:** Strengthening the Bolsa da Mãe program to reach more beneficiaries (nearly 76,000 children in 2023), particularly for students from basic education who are coming from vulnerable families.
- **Resilience and Social Cohesion:** The Ministry focuses on integrating gender, disability rights, and supporting victims of violence, including distributing assistive technology (wheelchairs) to rural areas.

These initiatives are designed to improve efficiency, reduce bottlenecks in service delivery, and better support the most vulnerable in alignment with the 2021-2030 National Strategy for Social Protection.



ECOSYSTEM

Stakeholders

The ecosystem is **small, donor-driven, and fragmented**.

Key actors include:

- **UN agencies (UNDP, UNICEF)** – central drivers of innovation pilots and ecosystem learning.
- **Enterprise Support Organisations (ESOs):**
 - **UNDP Accelerator Lab** – identifies and tests grassroots solutions.
 - **SENTRU Women & Youth Creative Hub** – USAID-supported training and micro-incubation.
 - **CNEFP/MEDI incubator** – supports vocational graduates in enterprise creation.
- **Civil society organisations**
NGOs such as **Empreza Di'ak** and **MOVE** integrate social enterprise approaches into poverty reduction and women/youth empowerment.
- **Private sector**
Limited engagement beyond state-owned banks and occasional CSR participation.

Support Initiatives

Non-financial support is mainly delivered through:

- **Incubation and training programs** (youth, women, micro-enterprise).
- **Innovation challenges and competitions** (small grants).
- **Donor-supported pilots** in education, health, agriculture, and digital services.

Support remains **urban-centred (Dili)** and limited in scale.

Collaboration

Collaboration is mostly donor-mediated.

Examples include:

- **YEES governance model** – multiple ministries, UNDP, and a state bank.
- **Knua Juventude Fila-Liman partnership** – government, UNDP, telecom provider, and bank.
- **Community-level collaboration** – youth groups working with local leaders to address social issues (e.g. conflict prevention, education access).

Systematic ecosystem coordination remains an opportunity.

Events & Awards

There are **no national social-innovation-specific events or awards**.

Indirect visibility is provided through:

- Entrepreneurship fairs and youth pitching events covered by national media [24].
- Donor-led showcases linked to program milestones.

FINANCE

Financing Schemes

There is **no consolidated estimate** of annual social-innovation financing.

Main sources include:

- **Donor and public funding** – USAID, EU, UN agencies (grants and stipends).
- **Microfinance institutions**
 - **Moris Rasik** serves ~18,000 clients (98% women, 92% rural), enabling grassroots enterprise.
- **Banks**
Limited lending due to collateral requirements; exception includes **YEES loan-guarantee scheme**.

There are **no domestic impact funds, angel networks, or social investment vehicles**.



Financing Inclusivity

Inclusivity is **strong at entry level** but weak for scaling.

- Target groups: **youth, women, rural communities.**
- Strengths: grants, stipends, and micro-loans reach marginalised populations.
- Gaps: lack of follow-on capital limits growth beyond pilots, especially outside Dili.

SOCIETY

Public Awareness of Social Innovation



The term *social innovation* is **not widely used**, but interest in entrepreneurship and social problem-solving among youth is growing.

- Media coverage of youth enterprises and fairs is increasing.
- Formal education does not yet include dedicated social-innovation curricula.

Research



There is **no established academic field** of social-innovation research.

Relevant contributions include:

- **UNICEF and UNDP ecosystem mapping and learning reports.**
- **Practitioner research** embedded in donor programs (e.g. YEES, Accelerator Lab).

Education & Human Capital



- **No formal degree programs** focused on social innovation.
- Entrepreneurship is increasingly integrated into **vocational and university curricula.**
- Limited exposure through **international fellowships** (e.g. YSEALI).

No data exist on the proportion of graduates with social-innovation-related credentials.

Entrepreneurship



191st / 190 countries 

Ease of Doing Business

Ranked 181/190 (World Bank, 2020)

--th / 133 countries 

Innovation environment

Infrastructure and regulatory barriers remain high.



Social entrepreneurship prevalence

Small but emerging, driven by necessity rather than opportunity

Social & Environmental Consciousness



Solidarity

Strong informal community support traditions



Political participation

Moderate, with youth increasingly active in local initiatives



Volunteering

Informal volunteering common; limited formal data



Environmental awareness
Growing youth-led initiatives (e.g. recycling-for-education models)